

AMERICAN CATTLE PRODUCER

Volume XVIII

DENVER, COLORADO

Number 11



APRIL 1937

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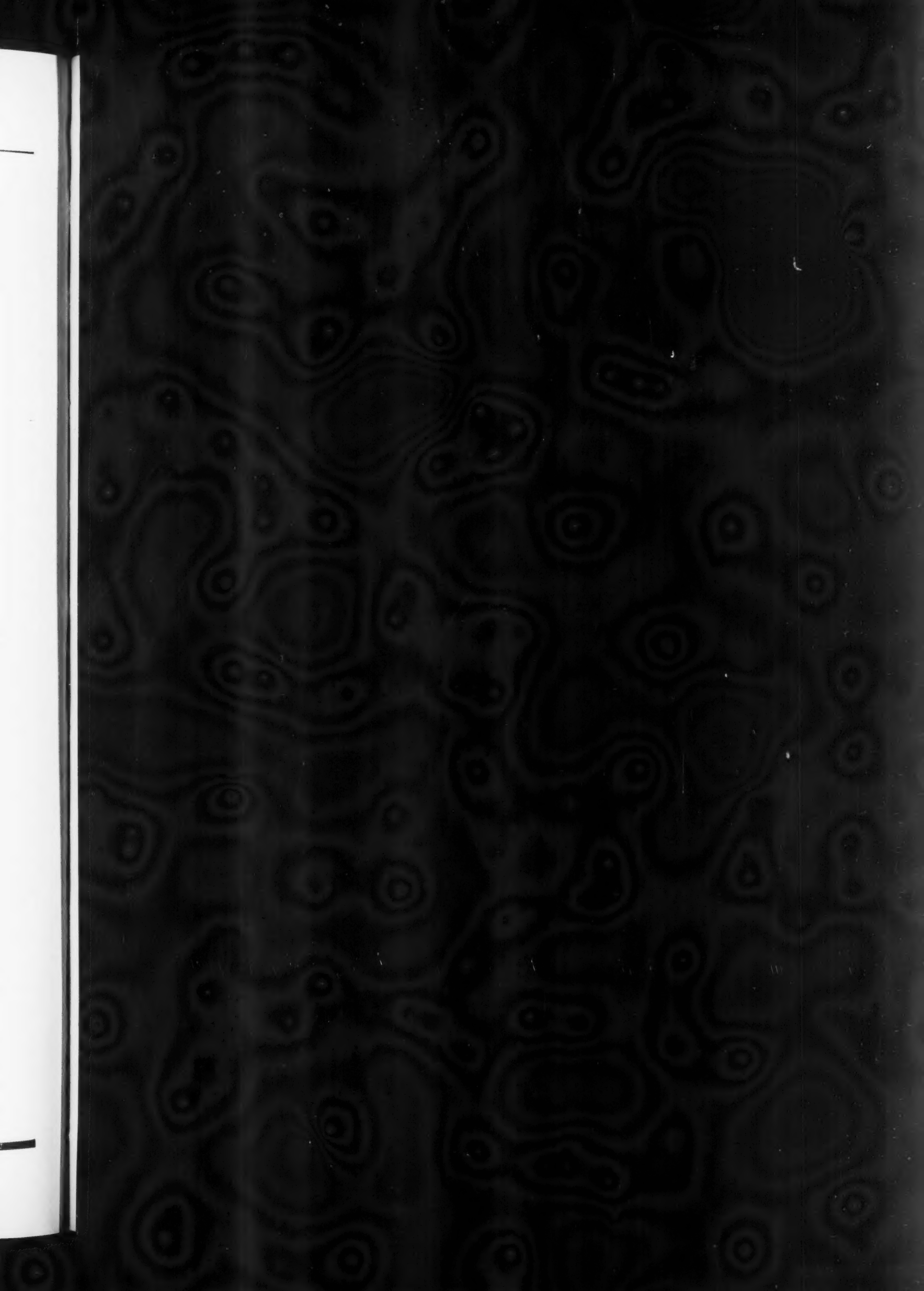
When Swift & Company's meats and by-prod-

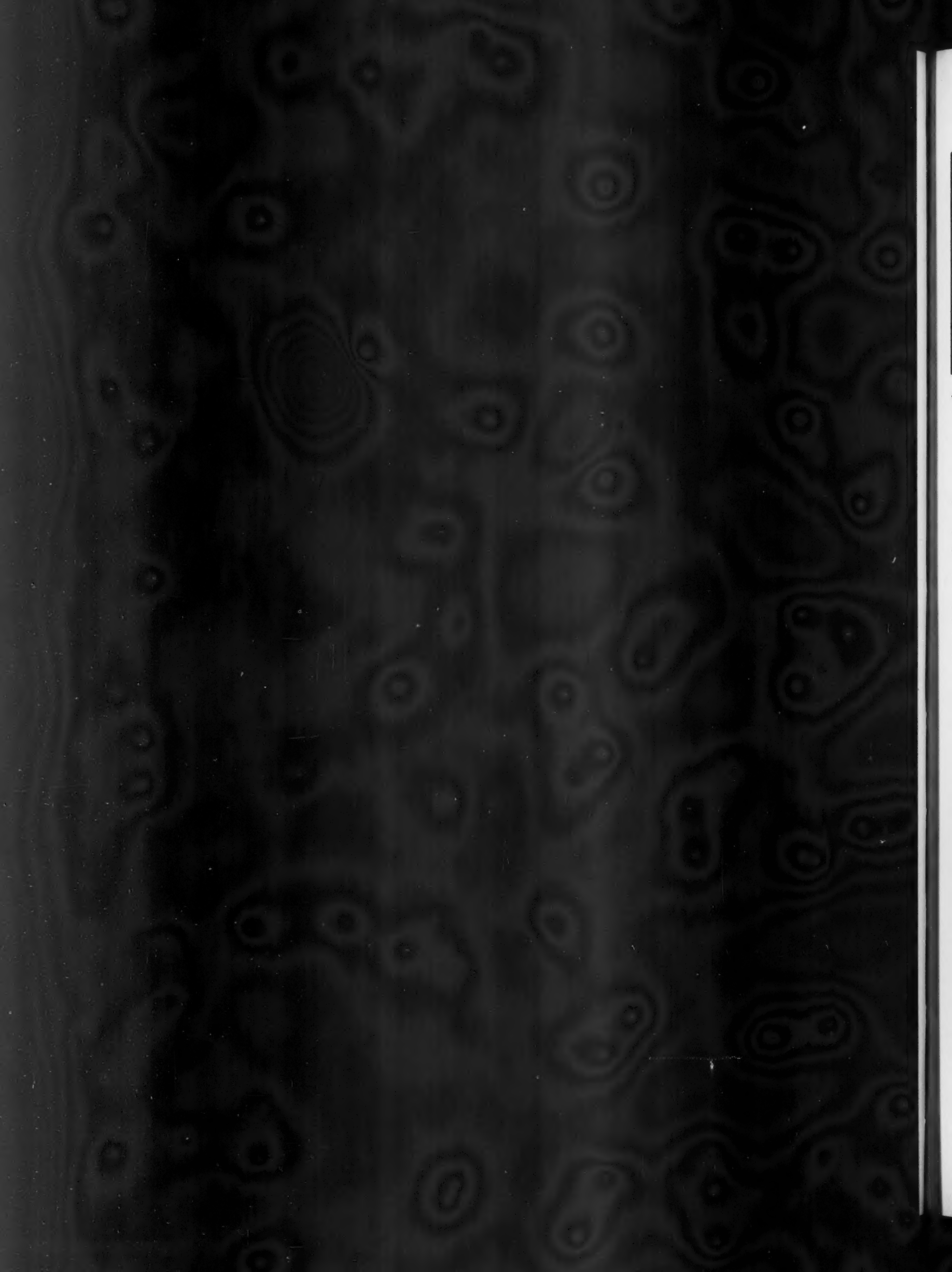
ucts, poultry, butter, eggs, cheese and other such foods are distributed, each kind of product assumes a part of the total cost. Transportation costs are reduced by placing boxed meat, and dairy and poultry products, beneath the suspended meats, and thus utilizing all available space in refrigerator cars and trucks. A company salesman sells all of these foods to retailers on his route; all such foods bought by any retailer are delivered in the same truck.

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THE AMERICAN CATTLE PRODUCER

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DENVER, COLORADO, APRIL, 1937

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The Waste of National Resources

BY BROWNLOW WILSON

Cimarron, New Mexico

WE HAVE, ALL OF US, IN OUR younger days read in childrens' books of a magic ring given to the hero of the story. When he rubs it, lo and behold, a genie appears out of nowhere. The genie says, in sepulchral tones: "Just make any wish your heart desires, and it shall be granted unto you." If I could find such a ring, and by rubbing it a genie appeared and made me such an offer, I know very well what I would ask for. As I ride through our ranges and drive through the West in my car, thereof

is one thing I should like to be able to do more than anything else I can think of. That is to be wafted back through the years, a few centuries ago, and to be permitted to see this West I have learned to love so well as it was before the first white man set foot in it. That is the wish I would make to the genie.

The Virgin West

It is possible, from old books written by the pioneers and stories told by the old-timers, to form an approximate idea what conditions were like in those

days. To begin with, the creeks were running all along their length and right up to their banks, with no sign of cutting. They contained trout, where now no fish could exist. There were no arroyos to speak of. The water table was close to the surface and well up to the gramma roots. There was abundant grass, with very few weeds or sage. Timber was much more plentiful and on the increase. None of the prairie sod had been turned for dry farming, and there was no overstocking, because cattle had not yet been moved in; and the only animals which harvested the native grasses were the buffalos and antelopes.

What a glorious sight the prairies must have presented in those days, covered with luxurious grasses and stocked



ABUNDANT FEED AFFORDS THE BEST WATERSHED PROTECTION

(Published at 515 Cooper Building, Denver, Colorado, by the American National Live Stock Association Publishing Company. Entered as second-class matter June 11, 1919, at Post Office at Denver, under Act of March 3, 1879. Acceptance for mailing at special postage provided for in Section 1103, Act of October 3, 1917, authorized on September 21, 1921. Subscription price: United States, \$1.00 a year; Canadian and foreign, \$1.50.)

with occasional herds of buffalos and antelopes, free to move out to other ranges when forage became the least bit short in any one location. Then, in the hills deer and elk browsed their fill from abundant leaves, steadily increasing all the while. Their only enemies were Indians, who, with their bows and arrows, could not seriously deplete their numbers, and mountain lions, not numerous enough seriously to endanger the annual increase. They roamed their chosen ranges, practically unafraid and with their sensitive nerves unimpaired by the crack of modern express rifles. The grasses must have presented a marvelous sight, as nothing prevented their reseeding every year, and, what was much more important, the water table was up to their roots, which must have made an almost unbelievable difference.

It is also an indisputable fact that at various times, in drought cycles which occurred then just as they do in modern times, there were periods when the prairie grasses burned up and the West looked like a desert. Old records of expeditions and journeys made by the pioneers often speak of great barrenness, disappearance of vegetation, and sterility of the soil in areas which now rank among the finest cattle range land in the West. It is well to bear this in mind when anyone takes a too pessimistic view of the present drought and its permanent effect on sod and forage, because what is happening now happened before in previous drought cycles, but subsequent wet cycles restored the sod and forage just as they will when the weather changes this time.

Came the White Man

Then came the white men. They appeared to imagine that this virgin land of milk and honey that they had discovered would remain the same regardless of what they did to it. First of all the trappers moved in and began to take out the beaver. Unlike the Indians, they were not concerned with following a line of policy which would insure leaving seed for the future. They figured that in another year they themselves might be rubbed out, or some other trapper would find their creek and beat them to it. Their one idea was to take as many pelts as they could in the short-

est possible time, with no thought for the future. As the beavers were removed, so was the water table lowered, inevitably. Water which had been retained in the mountains during the rainy season now was free to run off into waste, since the only known storage facilities were removed. These men killed enough game for their own needs, but not enough to impair the resources of the country.

The next people to move in were the hunters. First of all they killed buffalos and deer for the troopers and pioneers who were gradually wresting the country out of the Indian's control. Then the buffalos were killed for their hides, and the carcasses were allowed to rot and waste. This was probably the most wanton waste in history. Finally there came a day when there was talk about the lost herd of buffalos. The animals had moved from their accustomed haunts and could no longer be located. In the end the grim truth dawned upon them: The great buffalo herds were virtually wiped out. Next the antelopes were nearly killed off, until the day when several states closed the season on them altogether. The deer were decimated by the hunters, but enough survived to carry on their seed until special seasons were declared on them to assure their continued maintenance. However, there were ten left where a hundred had roamed before. The only thing which prevented their total extinction was the fact that they browsed in mountainous terrane, which afforded them natural protection. The mountain lions, which before had failed to make serious inroads on their numbers, now killed enough of the remnant to cause a yearly decrease in their numbers. The elk herds were nearly exterminated, until a few national parks commenced to protect what few remained and to preserve this noble beast for posterity.

Ducks and Timber Fall

A hundred years ago, from all accounts, the United States simply swarmed with ducks. When hunters began to shoot them the supply seemed inexhaustible. It was only in recent years that you began to read about bad breeding seasons, dried-up breeding grounds and resting places, disease in Canada, and

the effect of drought on their mode of life. It was the story of the buffalo over again. The lost flocks of ducks were, in fact, facing extermination by hunters, but the latter refused to believe the truth until a number of genuine sportsmen persuaded the government to take a hand and endeavor to regulate the shooting sufficiently to insure an increase. It was ironical to realize that when a great many hunters suggested a closed season for five years the reason put up against it was the fact that the ammunition manufacturers would go bankrupt and cause more unemployment in the depression which raged at the time. The long view—that they would make far more money in the end by having a closed season for a few years, with the inevitable tremendous increase in numbers to follow—was never broached.

The fact was that beavers, buffalos, elk, deer, antelopes, ducks were national resources; but because this truth was overlooked some of them were nearly wiped out and others seriously depleted in numbers before anything was done about it. This was the first example of wasting natural resources—and what a prodigal waste it was.

Next we come to timber—one of the country's primal resources. It was cut without thought of the future, the only idea being to market it before someone else did and with the utmost haste possible. Timber in the woods was taxed heavily; so the sooner it was taken out the greater the profit. It was elementary that timber bought and kept twenty years and then cut had far more overhead against it than timber bought and cut right away. This truism largely regulated the harvesting policy. Once again the long view was never taken: That if it were cut scientifically there would be a far greater profit in the end for future generations to glean. There were other effects from the denuding of our hillsides of trees. First of all the water which had been retained in the hills and forests by the trees now ran off wastefully into creeks. The creeks commenced to cut from this excessive run-off, arroyos were formed down gullies and draws, and rivers went dry in the heat of the summer, which previously had run all the year round, because the water which had been retained in the past now ran off in floods. Once again we find another national resource wasted improvidently.

When I was in Norway last summer the luxurious growth of timber everywhere greatly impressed me. I asked a Norwegian how this state of affairs existed when timber was used almost universally for all homes and buildings and it was, also, their sole fuel. He said it was actually increasing, because everyone knew that it was a natural resource, vital to the life of future generations; so they always planted four young trees for every one cut down. There was no



SOME OF THE
YOUNGER BULLS
IN ONE OF OUR
GREAT OUTDOOR
MUSEUMS



GROUP OF ANTELOPES WATERING ON SNOW

law to make them do this, but they took the long view in order to conserve a great national resource.

Water Table Lowered

Now we come to the influx of cattle. This was introducing a new resource into the country—and a tremendously valuable one it was to prove to be. However, cattle introduced new problems. First of all it was their nature to make trails to water. Because of this characteristic, when the heavy rains came arroyos were formed ten to twenty and thirty feet deep. When they ran bank full with water which had previously mostly soaked into the ground, this caused the creeks themselves to cut. The whole combination of circumstances lowered the water table of the prairie land, and gramma roots which had previously lived in moisture were now above it. This lowering of the water table is the greatest problem the cattlemen have to face today, as it reduces the efficiency of their ranges 50 per cent, and, because of the multiplicity of the factors which go to cause it, its rectification is entirely beyond their limited financial resources. The natural sod of the West is gradually becoming impaired, and ranges which would carry 1,000 head ten years ago now look overstocked with half that number after repeated years of drought during the decade. The prairie sod and grasses make one of our greatest na-

tional resources, and when this becomes labeled it "gives us furiously to think."

Probably the craziest thing of all was the plowing up of fine prairie sod to make dry farms. The cattlemen fought this practice with every means at their command. Men were killed over it, feuds were started between nesters and cowmen which took years to end. However, the fact that whereas one cowman used to control thousands of acres of land and now each 160 would keep a family, turned the scale of popular opinion in favor of the nester. The fact that dry farming was not an economic possibility in the West was overlooked in the meantime. The change in national economy which it produced was vast. Ranchers were forced to buy their own land and keep their stock under fence, whereas before their cattle had roamed over countless acres and the land was free and unfenced. Once they had to own their own land they were taxed for it, and now taxes often make up from 25 to 30 per cent of their operating expenses.

Now the effect of fencing in stock caused overstocking. In the days of open ranges, when one district became dry, cattle moved out, as buffalos had done, to better grass. After fences, when one district lacked moisture, the cowmen were forced to remain there with their stock, partly because most of the available grass was already owned and

stocked and partly because their taxes and overhead did not permit the expense of moving out to be incurred unless it became unavoidable. In this way the prairie sod became further despoiled through overstocking in dry years, which in itself contributed to dust storms.

Dry Farms and Dust Bowls

Dust storms form the greatest curse that ever attacked this great country. The primary cause can be traced to dry farming on land which was never intended to be plowed up. The old contention of the cowman was upheld: That the plowing up of prairie land was a sin against God and man which ought never to have been countenanced. In the light of subsequent developments, which have seen families moving out en masse from the "dust bowl," children and grown-ups dying from dust pneumonia, the health of the survivors probably forever impaired, perhaps the attitude of the cowman, with his guns and almost fanatical defense of his principles, was not so far out of line. Taking the long view, he was undoubtedly right: The prairie sod should never have been plowed up, and if there had been a law against it the whole country would be much better off today. The nesters, who had done the plowing, would have been 100 per cent better off, because by following this false trail to wealth they brought about their own ruin. Almost without excep-

tion they are moving, or have already moved, out today, with disillusionment in their hearts and bitterness against the western country which caused their downfall. The fact that the land in question was never intended by nature to be farmed was entirely overlooked. Another national resource, sod, was destroyed, perhaps forever. It is hard to see how dust can ever be controlled, because the only solution seems to lie in reseeding the dry farms to prairie grasses, and this is so much harder to do than sowing other seeds.

We have been in the midst of a drought, more or less, for ten years. We all of us think next year is bound to be a better one, as such conditions cannot last forever. Because of this belief we refuse to cut down our herds to what the range should really carry today. Now let us examine the probable truth of the contention that better years are bound to come soon. First of all we know that the West, which in parts is now over a mile above sea level, was once under water. How can we prove this? First, because we can still find sea shells fossilized in our hills. I have found them myself, at 7,500 feet elevation. Then, scientists tell us that the curious mesa formations throughout the West could only have been formed by the action of the sea. Recent underwater soundings have found similar formations under the present sea surface. Then there was the Ice Age, when, evidence shows, ice covered much of the

country. It was responsible, when it melted, for the formation of the Grand Canyon and other marvels of nature. Next, from the coal deposits we know that the West was once covered with almost tropical vegetation. In those days the rainfall must have been in tropical proportions, possibly as much as the Amazon basin gets today.

A Changeable World

So we have shown the country to have been under the sea at one time, to have been under ice at another, and to have been covered with tropical vegetation at another. We have tried to show what it was like when first discovered by white man and what it is getting to be like today. Is there any reason to suppose that we have now reached a period of constant weather conditions? I do not think this is a reasonable supposition to make, in the light of these past tremendous changes. It appears, from all the evidence available, that the world is constantly changing, and there is no reason to suppose that a static condition has been, or ever will be, reached.

The recently instigated study of tree rings forms a vastly interesting field for research. They show us the approximate rainfall for well over 1,000 years back. They show us the definite cycles that the weather seems to follow. Local weather seems to follow an eleven-year cycle; then more drastic changes recur at longer periods. Recently I asked an expert in this work whether he did not think we were now due for some wet

years again. He replied that he was afraid he could not say this, but that rather it looked to him as if we were in the middle of a twenty-year dry period. This was a drought which recurred on a 300-year cycle—much the most serious cycle which appears in their records. It must have been a drought like this which caused the cliff-dwelling Indians to move out of Mesa Verde when the springs or wells which they had depended upon for their water supplies dried up. It can be traced in tree rings to have lasted twenty-three years at one time and over thirty on another occasion. Now another drought like the one in 1276-99 might put us out of the cattle business in the Southwest. So if we are to formulate a policy to put the country onto a sound stocking policy again, it must be one which takes into consideration the possibility of twenty-year droughts recurring from time to time.

How to Rebuild

Now we have reviewed the effects of national resources being wasted. What can be done to check the waste and rebuild these resources? I think a great deal can be done. First of all, we mentioned beavers. They could be moved alive from the flats where they are not wanted and where they cause losses from cattle drowning in their dams, and planted in the mountains where their dams retain water and help in flood control and constant running of streams all the year around. I have cursed them as much as the next fellow when I have ridden up on fine cows drowned in their dams; but I am beginning to see these dams were serving a useful purpose as well, which perhaps is more important in the long run than their inconvenience in the meantime. Then we mentioned buffalo. Their decimation is perhaps justified by the fact that their place has now been taken by the cow, which is a much more efficient medium for raising meat. However, it is gratifying to know that the government, through its national park policy, is preserving this picturesque beast for posterity. Antelopes are now largely protected; but it would be nice to see them running in their thousands again, which could only be brought about by a more rigorous system of protection and propagation.

Deer are slowly coming back in numbers, and while in certain districts they are on the decrease, this is usually caused by mountain lion depredations. This loss could be greatly curtailed by a larger appropriation for government hunters, with more and better hounds. The mountain lion should be exterminated, if our deer are to survive, because, while they did not form a problem in the old days of vast numbers of deer, they do form a very real one in these days of curtailed numbers. The annual slaughter of ducks is perhaps the saddest modern example of a national and natural resource being wasted be-



EROSION AS A RESULT OF OVERGRAZING

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fore our eyes. I think the only cure would be a five-year closed season. I know the ammunition makers would kick on this on many grounds, as well as would many shooters. However, the fact is indisputable that, if they took the long viewpoint, in fifty years' time they would make more money from a five-year closed season policy now than they would through a constant yearly reduction in the duck population, which is facing us today. The shooters would also get to shoot more ducks on a long-time period than they would under the present system. If they look to the sport of future generations, which they are thoughtlessly spoiling today, they would surely be willing to make the sacrifice.

Problem of Overstocking

We have mentioned overstocking of the cow country. The truth is, most cowmen know very well they are overstocked in this prevailing drought. Why do they do nothing about it? The answer is, they have. In our neighborhood the cattle population has been reduced fully 33 per cent during the last ten years, but this is not enough. Because this drought has gone on so long, we should reduce to a 50 per cent basis. Forest Service men who have studied the problem freely proffer this advice. Why do we not take it? The answer is twofold. Firstly, taxes are so high that they often take up 30 per cent of our operating expenses. Now what would a business man in a city have to say were he asked to face such a situation? He would probably throw up his hands in disgust. Then, during the past six years we have sold our cattle at less than the cost of production. This means that the cattle business is still in a very bad way, at a time when the rest of industry is coming out of the depression in fine shape. Just when we began to get our heads above water again, the reciprocal trade agreement was signed with Canada. Just how much difference this really made is hard to say. However, the price of cattle did go down \$1 a hundredweight within a year. Then when buyers would come out and we would remonstrate with them over the prices offered, they would refer us to the agreement and its effect on the market. If it did not actually depress the market it furnished the excuse they needed to force it down. All this contributed to the fact that the poor cowman could not afford further to cut down his herds. He had to retain a certain minimum number of cattle in order to stand a chance of making a profit. Then again, he often had them mortgaged as security against a loan; and this was the final factor which prevented reduction in numbers.

Government Help

When you consider that taxes often take up, as they have done in our neighborhood, from 6 to 10 cents an acre on our land and cattle, and you can lease



TIMBER SALE PROPERLY MANAGED

state land for 3 cents an acre, it is easy to see how much better it is to lease land than to own it. Now the government obviously wants to help the cowman, but its present method is considered unsound by many men in the business. It is not necessary to go into the many glaring faults of the cattle slaughter policy in 1934, because they are already too well known. The present soil conservation program is all right in theory but woefully weak in practice. The installation of windmills and the building of retention dams for catching flood water certainly helps cattle, in that they get water without having to go so far for it. However, in the immediate vicinity of the watering places so made the grass will become more eaten out than ever and more sod will inevitably become destroyed. If the government really wants to help the cowman and improve his sod, it could best accomplish this end by making it possible for him to rest his range. Since the 1934 slaughter program there is a lot of pasture land which has become available for leasing. The men who own it have been forced, through circumstances, out of the business. If the cowmen could move their cattle onto this grass and rest their own ranges, such a policy would help them, in that it would allow their own ranges to re-

seed; it would help the nation, because it would be fostering a national resource; and it would help the owners of the land offered for lease, because it would enable them to make some money again. It would surely do far more for range conservation than the present soil conservation plan. In order to make such a scheme possible the government would have to subsidize the lease plan instead of paying out money for soil conservation work on private land, so often wasted.

Then the cattlemen are worrying about the dry farm land which is going to be put back to grass, because they think that finally it would have to be stocked with cattle. The government has purchased a great deal of this land, and if it would keep it under its control and utilize it solely for the above-described resting program, it would again be fostering a national resource as well as preventing the land in question from itself contributing toward overproduction. It would be insurance against future droughts which are bound to come.

Then the government could subsidize the spaying of heifers, which would curb production perhaps better than anything else, it could do. If a \$5 bounty were

(Continued on page 21)

Credit for Stockman and Farmer

BY WILLIAM I. MYERS

Governor, Farm Credit Administration

[Address delivered before the fortieth annual convention of the American National Live Stock Association, held at El Paso, Texas, January 12-14, 1937.]

THE LIVE STOCK INDUSTRY AND other types of agriculture have many complex problems. The principal job of the Farm Credit Administration is to assist in the solution of one of those problems—the problem of finance. We have another task, and that is to co-operate as best we can with all organizations concerned with and working with live stock and other branches of agriculture.

During the four years which are behind us now, we were concerned largely with emergency problems. I am very glad that these emergency problems are well on the way to solution. I should like to summarize them in a few sentences.

The mortgage interest paid by more than 800,000 farmers and stockmen through the Farm Credit Administration has been reduced about \$71,000,000 in 1936 through the operations of the Farm Credit Administration. About half of this saving was a permanent saving through refinancing at lower rates. The other half was temporary subsidies by the federal government to assist worthy farmers and stockmen to become re-established financially. In addition, there were indirect savings, because mortgage interest to all farmers has been reduced \$180,000,000 yearly. Foreclosures have been reduced one-half. A co-operative credit system has been organized and made available to all farmers and stockmen in all parts of the United States having a basis for credit. Banks for co-operatives have been organized to make business loans to farmers' co-operative business associations at reasonable rates of interest and have made loans to over 1,400 farmer co-operative organizations.

Emergency crop and seed loans have been made available for those who have no other source of credit because of drought, and through these, hundreds of thousands of farmers have been able to re-establish themselves financially and again become self-supporting members of society.

The regional agricultural credit corporations, which rendered such outstanding service to the live-stock industry in the dark days of the depression, have been placed in a status of liquidation, their place being taken by agencies of a permanent nature. The liquidations of these regionals has proceeded to a point where \$26,000,000 of loans remain; we have returned to the Reconstruction Finance Corporation for the federal government \$29,500,000 out of \$44,500,000

of capital given to them for their use, and the rest of the capital will be returned as the remaining loans are liquidated.

Permanent Problems

It is with the permanent problems of the longer future I wish primarily to concern myself.



WILLIAM I. MYERS

Farming and live-stock grazing are largely a personal business in a world of corporate business. Every ranch, every farm changes hands at least once in a generation. It seems to me imperative that we carry forward the traditions of America and that the door to ownership be kept open.

The Farm Credit Administration during the past year has placed special emphasis on assisting qualified tenants and other young men to become farm owners—men who through experience, through their ability to get together a reasonable amount of savings are enabled to make the step toward ownership. In the past year the Farm Credit Administration has helped 20,700 farmers to become farm owners—farmers who have not been owners or operators before. The amount of financing this required was about \$51,500,000, and that is only the beginning. About half of these 20,700 were men who acquired farms from the federal land banks of which the land banks were unwilling owners, having acquired them by the necessity of foreclosure or for other reasons. The other half were men who purchased farms of their own and who obtained finances in part through the Farm Credit Administration.

Under the present law we are able to give to men who wish to become owners the same type of credit service we give to men to refinance their debts. In other words, we can lend up to 75 per cent of the normal value of a farm or ranch, the land bank loan being supplemented by a Land Bank Commissioner loan, giving the purchaser the advantage of reasonable repayments over a period of years and a low rate of interest.

I am not offering this as a complete solution of the problem of tenancy, which is getting much public attention at this time. I am merely saying that in the past year and in the years to come the Farm Credit Administration will try to do its part by making available long-term credit on an amortized plan at reasonable rates of interest in order to provide maximum safety for those who are qualified to become owner operators of farms and ranches. We wish to do our part in the solution of this important national problem.

Two Classes of Loans

The loans that are made available to the Farm Credit Administration are of two classes. One class is government loans; that is, loans made from appropriated funds or from funds secured by the sale of government guaranteed securities. The others are what I call our business credit system.

The first class, government loans, are those cases where because of special risk we act as the agent of the government in meeting a situation where it is felt the national welfare justifies the use of federal funds. The biggest example is in the field of mortgage credit, in the making of what we call the Land Bank Commissioner loans which supplement the federal land bank loans and can be obtained on a first or second mortgage and can go to a maximum of 75 per cent of the normal value of the property on which it is secured. These land bank and Commissioner loans have been made in an amount aggregating about \$880,000,000. The emergency crop and feed loans and the drought loans of 1934 are other examples of these emergency loans where the use of government funds were required. These emergency loans are declining in importance as recovery proceeds and, I believe, will continue to decline and perhaps in time disappear.

The second class of loans, to which I refer, are those which are comprised in the business credit system for agriculture, which is the permanent job of the Farm Credit Administration.

As most of you know, our operations are carried on through twelve districts, in each of which there are four permanent credit units. Each of these districts is under the control of the district board of directors, which is elected partly by borrowers. All loans are made by the district banks, with one single exception. There is in Washington a Central Bank for Co-operatives—the only permanent

lending agency in the Farm Credit Administration located in Washington. The necessity for the Central Bank for Co-operatives has arisen from the fact that some of our large national co-operative business organizations have credit requirements that are too large to be handled by the district bank for co-operatives of any one district.

The Washington office, regarded by many as a necessary evil in the Farm Credit Administration, is concerned with regulation, with examination, with obtaining and administering loans in an attempt to carry out sound policies so that the boards of directors and officials of each district bank may meet the credit problem of agriculture and live stock as known in those regions.

Funds for Permanent Credit

Now the loan funds for the permanent business credit system are obtained by the sale of agricultural securities. If we are going to get low rates we must have safe securities. The biggest example of these securities is, of course, federal land bank bonds. In 1933 when we began these emergencies the federal land banks had issued and outstanding about a billion dollars in federal land bank bonds. During a short period in which there was tremendous refinancing, federal land bank bonds were sold to the government because farmers' incomes were so uncertain and the bond market was in such a state that they could not be sold to investors at reasonable rates. In January, 1936, that emergency period of federal land bank operations was ended. The federal land banks returned to the bond market, and since then they have been making first mortgage loans from funds obtained from the sale of their bonds to investors, and I expect and believe they will continue to do so.

The other thing that furnishes the sinews of war for the permanent system is the federal intermediate credit banks. These federal intermediate credit banks have built up in the financial market a remarkable reputation for sound agricultural securities. They have \$100,000,000 invested in capital. They have outstanding from \$150,000,000 to \$200,000,000 in their debentures, which furnish funds for the loans of production credit associations, live-stock loan companies, and banks for co-operatives.

Neither the federal land bank bonds nor the federal intermediate credit bank debentures are guaranteed by the United States either as to principal or interest. They are backed by soundly capitalized institutions and by the securities of sound farmers and stockmen. If they are going to continue to operate they must have the confidence of farmer and investor alike.

As you know, these permanent credit systems in the Farm Credit Administration are co-operative. Every borrower becomes a stockholder. He shares in management. He shares in losses and

he shares in savings when savings can be made.

What we have, in other words, in the permanent agencies of the Farm Credit Administration is a practical example of the use of government aid by providing capital through which stockmen and farmers can help themselves get out of debt. The federal land banks have about \$238,000,000 in capital stock, and about 48 per cent of that stock is owned by farmers. The other 52 per cent has been provided by the government, all of it being put in in 1932 in the depths of the depression to enable the banks to extend lenient treatment to borrowers.

The government helped the land banks in an emergency and the banks helped the government, because they carried their emergency loans in a more effective way than would have been possible by any quickly set up emergency organization.

The production credit associations have an aggregate capital of \$85,790,000, of which over 12 per cent is owned by farmers and stockmen. In other words, farmers and stockmen have been given the chance to acquire ownership and through ownership, of course, to continue to exercise control because control and ownership go together.

While the Farm Credit Administration was set up during an emergency, it was set up to provide a permanent organization through which farmers and stockmen can reach the investment market, with the thought of solving credit problems from the point of view of the ranch and the farm. Because you are concerned, I hope, with the operation of these institutions, I want to mention some of the major objectives. If you agree with them I should like to have, of course, your continued support. If you disagree then we should like to modify them in the light of the judgment of the majority of the members.

Preventing Credit Conflagrations

The first objective that I have set down is that in the Farm Credit Administration the terms of credit should be geared to the needs of farming and stock raising. That means long-term amortized mortgages with the privilege of more rapid repayment if the farmer is able, without the necessity for frequent renewal that might come at very inconvenient times, and for production loans, for terms required by the nature of the product—in other words, for the production of and marketing season of the crops or animals concerned. We attempt to provide terms of credit suited to the needs of agriculture by selling securities with maturities that correspond. That is, if we have to make long-term mortgages, it is necessary to sell long-term bonds. The safety of this situation is that there are no bonds withdrawn upon demand. We are sure of the dates of maturity. They are constructed for the needs of the farming industry.

Second, they provide a dependable source of credit in all regions at all times.

In other words, our job is not to operate a fire department helping to put out credit fires when they are started, but in the modern sense to try to prevent credit conflagrations. We get money from investors wherever they have it and are willing to lend it to us, and make that money available to all farmers and stockmen with a basis for credit in every region. In connection with this, of course, we have the continuing purpose of providing the live-stock industry with the same consideration and the same quality of credit service that is given to any other branch of agriculture.

Stabilizing Live-Stock Credit

A third major objective is that of helping to stabilize credit conditions in this great industry. In the past all agriculture and, perhaps, other businesses have suffered from too much credit at the wrong time. It is our policy to make mortgage loans based on values which can be carried with the normal earning power of the farm or ranch. Following this policy, we have loaned with courage during the period of depression and the months of recovery.

In other words, we have made loans on the basis above those which were justified by depressed prices. The converse is equally true. That means, as we approach periods of high prices we will and should make loans on a conservative basis.

I believe we will accomplish something worth while if we can bring to the attention of farmer and stockman and keep the thought in their minds that the fact that they can safely borrow on a mortgage loan does not depend on prices of products or lands today, but primarily on the earnings that can be expected over the period for which the mortgage runs. A realization of that sound policy will cause some of us to be a little careful when loans are needed.

Carrying out that same policy of stabilization, we are making production loans on a budget basis. That is the same principle, emphasizing sound loans as opposed to safe loans. In other words, basing the liquidation of loans primarily on the normal income that can be expected rather than on the value of the collateral.

It is necessary, of course, in financing range cattle and sheep to consider the operations over a series of years, because these loans cannot usually be repaid from one season's outturn of calves or lambs or wool. Our loans are made with the expectation of carrying through with good borrowers who play fair with us, so that the live-stock industry, it seems to me, would require that our loaning policy should continue to be based on normal value, value that can be sustained with average return to be expected over a period of years—and this

is the essential basis of a sound lending policy. We cannot wisely increase loan values in proportion to increased prices in a rising market. We need to be courageous in times of depression and conservative in times of high prices in live stock as in other types of agriculture.

I believe this policy is in the best interest of borrower and lender alike. In following it we will not have that forced liquidation of loans made during high prices at a time when prices are low, as happened to many producers in 1931, 1932, and 1933. I believe a conscientious, sound credit service to good operators should be the basis of the Farm Credit Administration, and this should be available in good times and in bad. The primary basis of the loan is the borrower's capacity to repay over a series of years.

I hope we can have the co-operation of this organization, of other private lenders, and of all organizations interested in agricultural welfare in order to emphasize the necessity for these measures of stabilization in the years that lie ahead.

I am not so optimistic as to think we can change human nature, but if we remember the experiences of the past and base our loans on what seems to be a sound policy for good operators we will have accomplished something of definite value to your industry.

Lowering Credit Cost

A fourth major objective is that of reducing the cost of credit. We are trying to reduce it to as low a figure as possible on a business basis. Now, how can you reduce the cost of credit to the live-stock industry? An inevitable element of cost is the interest paid to investors. The only way that I know that interest can be affected favorably is through building a reputation for sound securities, and that rests upon the willingness and ability of borrowers to pay their loans promptly when it is within their capacity to do so.

Another item of cost is that of making and collecting loans. This is a co-operative institution, and if borrowers pay their loans promptly when due they can save themselves the cost of the collector. Another item of costs is that of legal fees and filing costs. With the co-operation of other public agencies interested in agriculture we have obtained amendments to laws of thirty-five states, reducing the cost of filing chattel mortgages and similar documents.

Another factor, of course, which affects the cost of credit is the business efficiency of the land banks and the Intermediate Credit Banks and all other agencies which are used. Every effort is being made to operate these institutions on a business and efficiency basis. The employees are paid by farmer and stockman borrowers, and it is in your interest and in our interest to see that those

institutions are operated on a basis of intelligent business efficiency.

Since we operate as an organization to enable stockmen and farmers to reach the investment market, it is obvious that we reflect interest changes in investments to borrowers as rapidly as can be reflected. That means we have to reflect rising interest costs as well as falling interest costs. During the past two years it has been a very pleasant experience to reflect immediately to every part of the United States reductions in interest rates in investments for the first time in history. When interest rates rise it will be necessary to reflect rising rates. We do not make interest rates. We reflect them. We attempt to get for farmer and stockman borrowers the best rates on sound agricultural securities.

Lending Rates

The federal land bank contract rate on new loans through national farm loan associations is now 4 per cent a year, and that rate will run for the life of the loan. Federal land bank 3 per cent bonds are now being sold to investors at about par. One per cent is the minimum margin for the operation of the lending institution and building up necessary reserve for meeting occasional losses. The production credit associations' lending rate is now 5 per cent. Intermediate credit banks are selling their debentures at slightly less than 1 per cent per year and they charge a margin of 1 per cent to cover operating expenses, which means they lend at 2 per cent, and the production credit associations and the private credit institutions borrowing from the credit banks are paying 2 per cent a year. Most of the production credit associations charge 5 per cent—a margin of 3 per cent, which represents the cost of making their loans. If savings can be made, after building up reserves, to carry the associations through bad years, those savings belong to borrowers. They can write their own ticket.

The real burden on interest is not through the interest rate alone but by the relation between interest payments and the prices of farm and live-stock products. In 1932 it took nearly double the quantity of farm products to pay the interest on a given mortgage than was required immediately prior to the war, 1910 to 1914. In 1936 it took only one-fourth as much farm products to pay the interest on a given land bank mortgage as it required in 1932 and only half as much as prior to the war.

The burden of interest on the live-stock industry as measured by the quantity of your product required to pay your interest bill has likewise shown corresponding reductions.

These great improvements in the quantity of products required to pay these fixed charges on debt are the combined result of agricultural prosperity and the

general recovery. The prices of our product have increased, interest rates and fixed costs have gone down, and the combined effect of those two moves are shown clearly in the greatly decreased quantity of our products required to pay the interest bill.

In my judgment, farmers and stockmen do not wish a permanent subsidy for their credit institutions after the emergency has passed. We need fair prices for our product and if we get them we are willing to pay fair interest rates. Clearly subsidized interest rates are not a substitute for fair prices, which affect all farmers and stockmen.

Credit Equality

The policies of the Farm Credit Administration are based on the fact that agriculture requires credit equality with the other industries, that the individual farmer and stockman, while his credit needs are relatively small, should be given the same advantage and the same investment markets that any large industrial corporation has. In other words, through the Farm Credit Administration stockmen and farmers can have and do have now the advantages which the larger corporations have in tapping financial markets. The securities of the Farm Credit Administration are selling at rates that are comparable with the securities of the larger industrial firms.

The Farm Credit Administration can continue to give credit equality to agriculture if we have fair prices and reasonable income, if we continue to strengthen and build up these sound financial institutions, and if borrowers give them their support through paying their obligations promptly when they are due.

The Farm Credit Administration has neither the resources nor the desire to monopolize the field of farm credit. Our major job is to supplement and not supplant private credit agencies. Competition does exist and will exist, but, in the main, these agencies are supplementary. I am glad to see private credit agencies return to the entire agricultural field. It indicates confidence in the future of agriculture and stock raising. The life insurance companies are returning to the mortgage field. Commercial banks are returning to the short-term credit field. Privately capitalized live-stock credit associations are operating in the live-stock field. I believe we have both a need and a place for private institutions and for co-operative institutions such as those represented in the Farm Credit Administration, because they will tend to keep each other on their toes.

Competition a Good Thing

While a large part of the Farm Credit Administration is supplementary, reasonable competition on a high plane will be in the interest of stockmen and farmers and, in general, in the public interest, because it will result in better service at lower costs.

I do not believe in co-operative institutions alone or in private institutions alone. I believe farmer and stockman are better served if they have the co-operative institutions and if they also have at their service private lending institutions. Through the competition of these two groups better service will be made available at lower cost.

Another of our major objectives is that of education of borrower members in the problems of their credit institutions. We have made a beginning, but only a beginning. Every borrower member of any of the permanent units of the Farm Credit Administration has the right to know the problems, policies, and financial condition of his organization. Our educational work is based on that principle. It is not high-pressure salesmanship, but an attempt to bring to the attention of farmer and stockman the responsibility as well as the opportunity in membership in co-operative credit institutions.

The principal means of bringing this to the attention of farmers and stockmen is through annual meetings of their co-operative credit associations and at these meetings give full facts about their financial condition and operation.

If a co-operative is to be successful it must be based upon the intelligent participation of its members. They cannot be intelligently informed until they have the facts, and if they have the facts I believe they will use their power wisely by selecting the best qualified men to represent them on the board of directors of local and regional institutions.

Decentralization

Another and final policy is that of decentralizing and co-ordinating the operations of the Farm Credit Administration. This has had and will continue to have my enthusiastic support.

The Farm Credit Administration was set up in the first instance to co-ordinate federal agencies concerned with farm credit and to provide better service at lower cost through the elimination of duplication. One way in which that can be done is through giving greater support to the district banks and from there to where the loans are made. Increasing responsibility is and will continue to be given to farm loan associations and production credit associations in the operation of these institutions. It is a sound principle, for training and education are necessary to enable these institutions to discharge their responsibilities effectively.

The object toward which we are working is to have one local office within convenient access to a farmer or stockman to which he can apply for long-term or short-term credit. We have made some progress but we have a long way to go. I feel sure we are on the way. One of the difficulties is the fact that during the period of seventeen or eighteen years

of operation there was in the land bank system more than 5,000 farm loan associations, which greatly exceeds the number required. There should be enough farm loan associations to serve farmers adequately, but each one should have a volume of business large enough to provide an efficient institution for the making, servicing, and collecting of loans. We are endeavoring to bring together these loaning associations in order to provide an efficient service to borrowers.

The production credit associations are experimental. They should be small enough to be within reasonable access to borrowers, but they should be large enough to have sufficient business to make an efficient unit. We are in the process of attempting to work that out. Nothing is fixed except the policy that these associations should represent the most efficient unit through which borrowers can reach the district bank and through it the investment market. It is quite a job, because over 900,000 borrowers are represented in the land banks and production credit system.

Co-ordinating Two Types of Credit

Now I believe that sound live-stock financing requires complete co-ordination between mortgage credit associations and short-term credit associations. If we are going to render the type of credit service that the Farm Credit Administration should render to the live-stock industry, these two should be so co-ordinated that there will be practically the same as two departments of the same institution.

We believe that the ranch is the unit and that the total amount that can be loaned safely both on a mortgage and a short-term loan is based upon the liquidating power of the live stock, because that is the only source from which income can come. We have been the victims of grief and have seen grief caused to borrowers and lenders alike from excessive debt based on collateral; that is, on the market value of the ranch without regard to liquidations of the only source available—the live stock and live-stock products.

During the development of this movement we have had men working on this problem, getting facts from all the live-stock producing regions. I do not have the final answer, but I think the general principle will be along this line—that we must have agreement on the maximum mortgage and short-term credit that can be given on any ranch property on all types of collateral, and that will be based on the normal income of that ranch. The allocation of that amount of credit will then be made on a proper basis and the total amount of credit will not be increased. In other words, it seems to me—and we are going to work that out—that this close co-ordination between mortgage and short-term

credit will not increase greatly, if at all, the amount of credit that a given property can obtain, but will provide sounder financing because it will put the mortgage loan on a longer term basis where it can be liquidated in an orderly fashion and remove the pressure that comes from having the whole term shorter.

On behalf of the Farm Credit Administration I accept responsibility for co-ordinating the operations of the federal land banks and our short-term credit units so as to render effective credit service to the live-stock industry. We are going to keep at it, and with your help we will be able to do the job.

Emerging from Depression

We are emerging or we have emerged from the most severe depression in our financial history. There has been very great improvement in prices, in incomes, and in morale. This is shown by all of the operations of the Farm Credit Administration. Our collections of interest and our collections on the principal of our loans have increased. Our delinquencies have decreased steadily since the dark days of 1933, and in spite of the drought which has brought terrific losses to hundreds of thousands of stockmen and farmers, American agriculture has progressed in 1936.

The collections that we have made justify the confidence that we have placed on farmers and stockmen that they will pay the debts that are in their capacity to meet. The federal land bank delinquency, which was almost 60 per cent in 1933, is now, on a national basis, only 15 per cent. This is above normal, but it is declining and will continue to decline. The delinquencies on Land Bank Commissioner loans is about 20 or 21 per cent, and when you consider that the drought hit large numbers of farmers, the record fully justifies our confidence in farmers and stockmen.

One of the most striking examples I have met with is this: In 1933 Congress passed legislation which proposed for five years land bank borrowers would not be required to pay anything on the principal of their mortgages. They had to keep up their interest but no payments were required on the principal. In spite of the fact that no principal payments were required, substantial amounts have been paid on the principal of these mortgages every year, and in the first ten months of 1936, \$57,000,000 was paid voluntarily by farmers and stockmen on the principal of their land bank and Land Bank Commissioner loans. The normal principal maturities would have been about \$32,500,000. Large numbers of farmers and stockmen paid their regular instalments, others were able to pay their loans in full; but the aggregate payments on principal made voluntarily were so large an amount as to show

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What is Future of Transportation?

BY DONALD D. CONN

Executive Vice-President, Transportation Association of America

[Excerpts from an address delivered before the fortieth annual convention of the American National Live Stock Association, held at El Paso, Texas, January 12-14, 1937.]

INTELLIGENTLY TO ANSWER the question as to what the future of transportation in this country will be one would have to know certainly the factors which will enter into the picture in the next decade. We do know there is now real public policy toward this vast industry. We have left its problems for handling and adjudication by unrestricted state legislatures and Congress and it is time that public organizations like this one must interest themselves in the long-range view of what we are going to do with our transportation problem.

The physical features of transportation are these:

We have 161 Class I railroads in the United States operated by 101 operating companies.

There have recently been filed with the Interstate Commerce Commission requests for license permits to operate on the highways in this country by 157,000 companies.

Air lines flew 350,000,000 passenger miles. Our movement of passengers by air last year was more than the combined movement in Europe and Asia.

Our waterway situation is not the best. The average of our boats operating coastwise and through the canal is over twenty years old.

Transportation Improvements

In the last three years we have witnessed some vast improvements in all forms of transportation: . . . The new stream-line trains, . . . here to stay; . . . the Sperry track detector . . . will detect by electricity any flaws in the rail; . . . the steam switcher . . . operated by one man . . . will back on to a freight car and automatically use just enough steam . . . to move the car. . . . That is some idea of the improvement. . . .

Probably the most marked improvement which has been accomplished under the most trying conditions has been in innovations in our air transportation. When our airmail contracts were canceled three years ago—for what purpose nobody yet has been able to find out—new laws were passed by Congress . . . looking toward future ownership of the airlines by the government. In spite of all the air lines have gone through, they have had the courage to develop the passenger service. . . .

The future of these vast instrumentalities depends very largely upon public attitude. There is a limit to where

private enterprise can go and make a profitable return on its investment. The time is not far off when you, as individual shippers, must decide whether you want competitive and private ownership of transportation or whether you want to let this situation get into the hands of the government through public default.

Aside from minorities of opinion, there is not organized philosophy in favor of government ownership. However, all but two of the labor organizations in the United States are in favor of government ownership of railroads, trucks, and air lines, and, of course, the government practically has the boats now by subsidy. So it must be people such as you who will make the decision.

Railroad Legislation

I want to go back for a moment and trace how we allowed this situation to get in the condition it is now. In 1887 we passed our first federal law on transportation—the Interstate Commerce Act. That act was designed solely to eliminate discrimination in rates set up, and the Interstate Commerce Commission was composed of five men. Look what happened since then. In 1893 we passed the Safety Act—probably the proper thing; in 1901, the Railroad Accident Act; 1903, Elkins Act; 1906, Hepburn Act; 1907, Hours of Service Act; . . . 1908, Ashpan Act; . . . 1909, Transportation of Employees; 1910, Mann-Elkins Act and Safety Appliance Act; 1911, Motor Inspection Act; 1912, Panama Canal Act, and that act was drawn so very poorly and passed so hastily that while the intended travel could go through the Panama Canal it succeeded in breaking up the relationship of rail and water on the Great Lakes, and it has been so since. In 1913 the Valuation Act was passed, and we have spent altogether, through public funds or the railroads on their part, \$225,000,000 to place a valuation on these railroads which was not completed until 1934 and is of no use today. In 1916 we passed the Adamson Act; in 1917, the Car Service Act; 1917, Amendment to the Interstate Commerce Act increasing the number of commissioners to nine; 1918, Federal Control Act; 1920, Transportation Act, where we gave control of the railroads back to the owners, and for the first time the federal government recognized it had a responsibility to the stability of credit in investment of transportation if it was likewise going to take over the control of rates and earnings of the transportation; but the Transportation Act was passed on the theory that the railroad was a monopoly,

as it was. It is not today, because railroads only hauled 68 per cent of the freight last year. In 1925 we passed the Smith Regulations—to revamp the whole rate structure of the United States. The Interstate Commerce Commission has held I do not know how many hearings; there have been 18,320 exhibits introduced in evidence and 204,000 pages of testimony and they are not through yet. . . . In 1926 we passed the Railroad Labor Act; in 1928, the Dennison Act; 1933, Emergency Transportation Act; 1934, Railroad Retirement Act; 1934, a new Railroad Labor Act.

Myriad Bills

In 1935 alone there were 386 bills introduced into Congress directly or indirectly affecting forms of transportation. Since 1920 there have been introduced in Congress 2,563 bills affecting rail transportation alone and over 350 of those were in the interests of rail labor.

What about the air lines? Since 1920 this newest phase of transportation had a honeycomb of legislation passed to the tune of 26 federal laws.

We also passed in 1935 a highway act—ill conceived, not well drawn, no economic study back of it at all—and we found out there are 97,000 permits filed with the Interstate Commerce Commission by bus and truck companies.

Now the vast cross section of transportation in this country—the business of distribution—is competitive between each mode and within the given modes and is costing the American public millions of dollars each year. . . . We have a surplus of capital account of 35 per cent more facilities than we need. Somebody is paying for it.

Rail Labor Wants Federal Ownership

In the past year, rail labor has petitioned Congress—and their petition was not only signed by railroad brotherhoods but by interested brotherhoods such as the Brotherhood of Longshoremens—for government ownership of the railroads. The reason for that is obvious. They think through political control they can put more men to work—two men to do the job of one—which is not in the public interest. When you know the membership has dropped from around two million in 1919, to about one million last year, that is a tremendous drop of union dues of \$15 each. We have to decide whether we are going to pass legislation to benefit a privileged class of people and whether you, as cattlemen, will go before the Interstate Commerce Commission and approve the increase in rates to meet the bill.

At the moment, forty-six cents out of each \$1 of freight charges goes directly to rail labor, and last year the railroads of the country purchased supplies and material and equipment for \$1,997,000,000; 35 per cent of that also went to labor. . . .

Our people in our association believe that rail labor is a privileged class; that they should be given all that the traffic will bear, but no more than that. If they are serious about their desires of government ownership and there is not any intensive view on the part of the public against it, that is one way they can get it, and run the cost of operation so high that private capital will no longer be interested. . . .

Cost of Transportation Affected

If government ownership comes, that is the reason why it will come. Therefore you . . . must become interested not in the theory of government ownership but in the factors that go to make up the cost of transportation that is involved in your freight rates and is involved in the ability of the transportation to pay on its facilities. What happens? The employees ask that Congress pass a full-crew bill and that Congress pass a train-limit bill and what is known as the six-hour day bill. The six-hour bill may or may not mean more employees will be given work; it does mean that time and one-half starts after six hours. The Interstate Commerce Commission has estimated that the six-hour bill, if enacted, will cost the public \$630,000,000 more in increased rates, and that means a 15 per cent increase.

Then the train-limit bill limits the length of freight trains to seventy cars. What is the use of building bigger locomotives, and developing greater technique in mechanics so that you can gear up a locomotive to take 140 cars across these deserts if you come along with the state or federal bill which limits the size to seventy cars? . . .

There is proposed to be introduced in the state legislatures of the western states over 350 bills at the coming legislatures affecting highways and railroad trains. . . . A bill introduced in Montana last year, and which they propose

to reintroduce this year, . . . provides that no train will operate over the rails in Montana unless those rails have been walked over within the past twenty-four hours, and the kink in it is that the law provides for two men walking and working together and not more than 15 miles shall be inspected in one day. . . . What is the use of putting automatic control in Montana, block systems, having a Sperry detector along the tracks, and investing large amounts of money if you are going to have it nullified. . . .

Objects of Association

The Transportation Association of America is only a year old. It was not sponsored by the railroads or by any other form of transportation. It was developed at a meeting of representatives of agriculture and industry in Chicago who felt that the trend toward government ownership was getting to a point where the public as a whole would have to take a stand in the matter.

We are pledging an individual membership to reach 1,000,000 people. We want 5,000 concerns as representatives of industry. We want the railroads, airlines, many of the truck companies, many of the steamship lines. We are building a composite membership so conceived that our work will be strictly public and not in behalf of any one mode of traffic, but in the behalf of the public.

As the objects . . . we want to combat any move toward government ownership of any form of transportation; . . . to work out through research and education a sound alternative to government ownership.

We are operating through three main divisions. The Research Division is located in New York, and through that division we are acting as a clearing house for all the research agencies in this country having anything to do with

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Uncle Sam Was a Meat Packer

THE ORIGINAL UNCLE SAM WAS A BEEF man.

George Gray, artist, of Oswego, N. Y., has recently completed the "Origin of Uncle Sam" mural—one of a series of patriotic military paintings installed in the tap room of Hotel Hendrick Hudson, Troy, N. Y.—reproduced here through the courtesy of the manager of the Hendrick Hudson, James J. Graney, and the president of the American Hotels Corporation, General J. Leslie Kincaid.

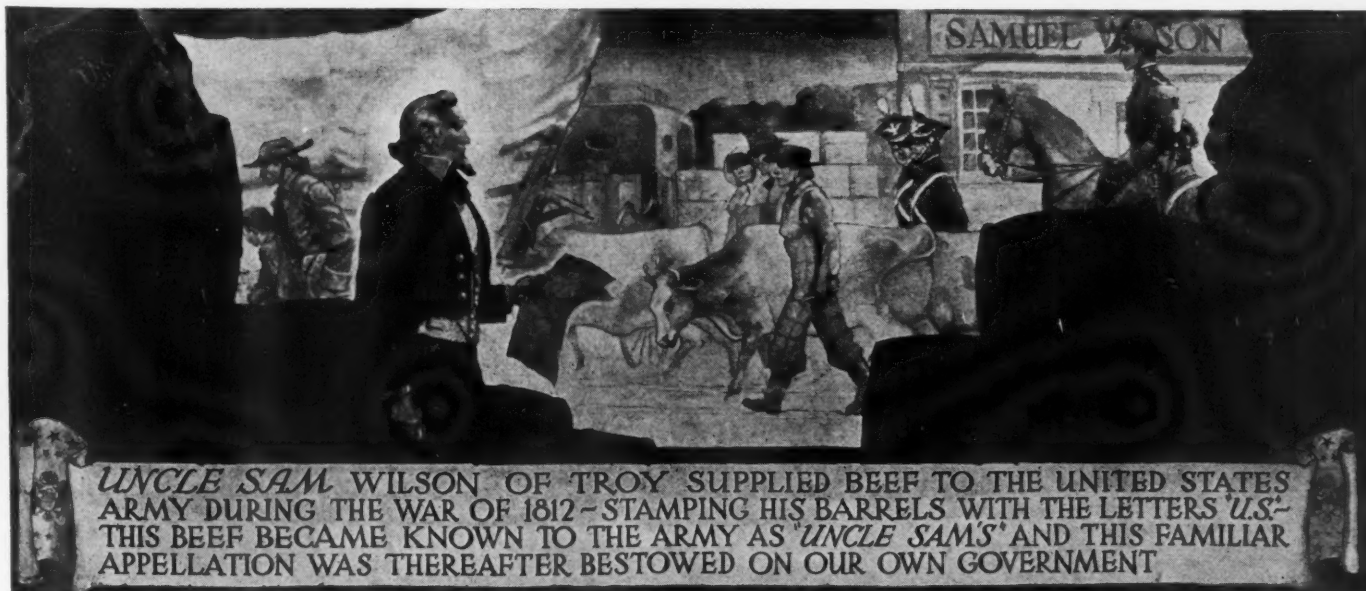
Samuel Wilson, from whom the appellation "Uncle Sam" was derived, was born in Mason, N. H., in 1789 and went to Troy, N. Y., when he was 22 years old, says *Armour*, a monthly magazine published by Armour and Company. The publication gives a brief sketch of "Uncle Sam":

He and his brother engaged in the business of cattle slaughtering. As their business prospered, they employed 100 men and sometimes handled as many as 1,000 cattle a week.

Samuel Wilson became known far and wide for his benevolences and his affection for children. Youngsters and adults alike began calling him Uncle Sam, and he was known to everyone by that title.

When the War of 1812 broke out, Samuel Wilson received a contract for corned beef "packed in full-bound barrels of white oak" for the United States troops. There was competition for the army beef business, and since Sam Wilson's beef had a reputation for exceptional quality, the barrels were branded "U.S." and the meat was customarily referred to as "Uncle Sam's beef."

Of course, the initials U. S. also stood for United States. Many of the soldiers knew Uncle Sam Wilson, and before the war was over Uncle Sam was soundly entrenched as the personality representing the United States of America. Until that time the new nation in the Western Hemisphere had been called Brother Jonathan, just as the English adopted the personality of John Bull.



Stage Set for Healthy Markets

BY JAMES E. POOLE

ERRATIC AS A RAW HORSE, LIVE-stock markets are charting new courses. Surcharged with enigmas, each branch of the trade has a confirmed habit of confounding philosophy, although in some respects it is running true to form. For many years abundance has been interspersed with relative scarcity, the determining factor invariably the volume of feed garnered the previous fall. This year's meat production will necessarily be gauged by nature's freakishness in 1936.

Fat Cattle Advance

Loafing in the doldrums after the turn of the year, the fat-cattle market came to life early in March, reluctant killers groaning as prices advanced at least \$1 per cwt. and in many spots more. That \$16 bullocks loomed on the horizon was popular conviction; but around \$14.50 the top stuck persistently until increasing scarcity jarred them loose, \$15 being registered at the middle of March, then, successively, \$15.25, \$15.50, and finally \$16 the last week of March. Behind this corporal's guard of finished heavy steers came the main column, following the appreciation but fluctuating somewhat violently from day to day as a harried corps of buyers, admonition to "hold prices down" ringing in their ears as they went afield each morning, made frantic efforts to obey orders. Steadily carcass cost moved higher as condition fell off, developing a somewhat unique condition, not without precedent, although variations could be detected by

the "dope" fiends. A gratifying feature of cattle trade is that beef is moving from chill-rooms to retailers' blocks with reasonable celerity, indicating impending events and setting the stage for a healthy set of summer markets.

An enigma, however, is a lagging hog market. Just why cured meats and lard accumulated in storage while beef disappeared in the capacious maw of consumers is a puzzle so far defying solution. Usually short corn crops neither fill storage space nor overflow the lard kettle, but that is what happened recently. Pork is relatively if not actually cheap—a condition for which continuous heavy imports may be to some extent responsible—yet distribution is crippled. Stocks have acquired a volume that probably concerns holders, although no surface indication of alarm can be detected. This equanimity may be based on expectancy of reduced summer production. Average cost of hog droves at Chicago has occasionally dipped below a \$10 figure; much of the time it has hovered between \$10 and \$10.20. Disparity between cattle and swine quotations is a conundrum, responsible for speculation but defiant of explanation.

Live mutton markets are seething. A miniature boom in March, when top lambs went to \$13.35 at Chicago, fat sheep reaching \$8, had a "screwy" flavor when a break of \$1 per cwt. ensued within a few hours. It just happened, for no credible reason except that killers temporarily had to buy for numbers.

Finishing Profitable

Top prices in the case of cattle are deceptive and will be all summer. A handful of long-fed, heavy steers selling anywhere from \$14 to \$15.75 does not tell the story of a market on which the long string of trades is in a wide range of \$9.25 to \$12.25 per cwt. A similar condition exists in female cattle, a few choice heifers costing killers anywhere from \$10 to \$12.50 per cwt., although \$7 to \$9.50 buys the bulk. Similarly, heavy cows are worth \$8.50 to \$9.75; the bulk of the butcher cows, \$5.75 to \$7.50. These spreads, abnormally wide, disclose economy in the use of feed.

From the infancy of the feeding industry this market story has been repeated with irregular frequency, prices always emphasizing the fact that feed is the factor of major importance, also that the finishing operation is invariably profitable when feed is high. The late winter appreciation lined the pockets of those who were fortunate enough to have cattle on hand, margins between initial cost and selling prices ranging from \$5 to \$8 and in some instances \$9 per cwt. Those who played out the market despite advancing cost of gains displayed judgment.

Scarcity of heavy bullocks with sufficient quality for the eastern markets developed early in March, and while it may not be a "last run of shad," such bullocks as glutted the market continuously during the summer of 1936 are no longer available in considerable numbers. Shippers are paying anywhere from \$14.50 to \$15.50 for the type of steers that had to sell on a demoralized market of 1936 at \$8.25 to \$8.75. Feed cost less then, but profit vanished.

Dressing Percentages Lower

Instead of a crop of steers dressing 60 to 65 per cent, killers complain of diminished yields and indifferent carcasses, thousands of short-feds dressing 57 to 59 per cent, so that the new scale of prices is even higher than paper quotations indicate. The few heavy kosher steers available are distinct specialties, and in an effort to get weight buyers frequently guess high. Plain, weighty cattle selling at \$13.50 to \$14.50 cost more in the beef, merit considered, than "toppers." A load of 1,800-pound cattle earns \$14.25, and always there is a place to put the product. Steers weighing 1,400 to 1,500 pounds, with quality, are prize packages, the \$16 cattle late in March weighing 1,418, and the \$15.90 load close to 1,600 pounds. Yearlings have taken second place, although quotable to \$15 or better if weighing in excess of 1,000 pounds.

What altitudes the summer market will acquire is anybody's guess. Prime steers weighing 1,200 pounds or more are at the vanishing stage, although an occasional load may be expected. They have become such rarities that a gap of

CATTLE, INCLUDING CALVES: NUMBER ON FARMS, JANUARY 1, BY CLASSES, UNITED STATES, 1900-37

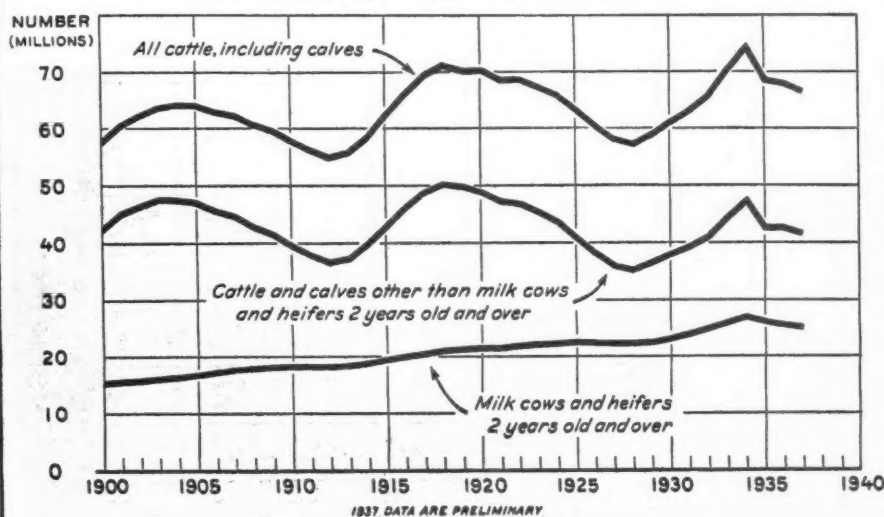


FIGURE 1.— SINCE 1900 THERE HAS BEEN A GRADUAL UPWARD TREND IN THE NUMBER OF MILK COWS AND HEIFERS ON FARMS, BUT THE NUMBER OF CATTLE, OTHER THAN MILK COWS AND HEIFERS, SHOWS NO TREND, EITHER UPWARD OR DOWNWARD. MOST OF THE CYCLICAL VARIATIONS IN THE TOTAL NUMBER OF CATTLE HAVE BEEN DUE TO CHANGES IN THE NUMBER OF BEEF CATTLE.

50 to 75 cents per cwt. between an outstanding low and the next high sale frequently develops. Killers complain that they are getting "too many of one kind," similar weights and yields, but under present supply conditions ability to keep enough beef on hand to satisfy customers is gratifying.

Beef Prices Up

Beef prices, both wholesale and retail, have been gradually advanced, although no violent protest has come from consumer circles. Occasionally a newspaper screed sensationalizes the situation mildly, without creating sales resistance; otherwise each week's production would not disappear promptly. Slaughter figures have dropped sharply compared with a year ago; but numerical statements do not state the case, as tonnage has fallen off substantially. A large percentage of the steers going to the butcher weigh 1,100 pounds or less; the 850- to 1,050-pound contingent is conspicuous. Most of these cattle have been cashed 60 to 90 days in advance of the usual time, or the period at which they would have gone to the beef-rail had feed cost less. Feeders, suspicious of the permanency of prices, have let their holdings go, and few replacements have been made. Colorado and Wyoming winter-feds were cut loose early and will be out of the way long before the usual time.

Packers are paying substantially more money for fewer cattle and a much less beef tongue than at this period of 1936; the distribution of revenue is contracted. The in-and-out element, always fearful of a high feed bill, is not participating; regular feeders are thriving. The "big money" has accrued to those who bought sagaciously last fall, fed 90 to 120 days, and then took the short route to the money.

Kansas has furnished Chicago with bullocks that realized \$15.50 to \$15.90 per cwt. They were from the Corpstein feed-lot and were distinct specialties. A few others were eligible to prices ranging from \$15 to \$15.85, most of them carrying weight. Cattle with a reputation for yields and carcass merit have had an inning—a prelude to what will happen during the ensuing six months. Low cost, light steers selling anywhere from \$6.50 to \$9.50 have had a stable market, the entire country being ransacked for something convertible into red meat. Holsteins, Jerseys, and southern "yellahamas" go over the scales before buyers indicate their attitude toward better grades. Such is demand for cheap cattle that feeders have had scant opportunity to reinstate, killers taking practically all the two-way types.

Fewer Canadians Coming

Canada, starting the year with a spurt, failed to continue the gait. Alberta steers sold in Chicago anywhere from \$10.50 to \$13.40 per cwt. As running expense, including duty, figured around \$3.70 per

cwt. and the spread between local and United States prices has been \$3 to \$5.25 per cwt., Canadians showed a reasonable profit margin on the rise. Earlier it is probable that imports from this quarter affected domestic prices adversely; later it is doubtful if it was serious competition. Western Canada fed considerable Argentine corn this winter, but to protect domestic grain growers, Ottawa imposed a duty of \$8 per ton. Doubt is expressed that the quota under the reciprocity treaty will be filled this year.

During the past 60 days the stage has been set for a high summer fat-cattle market. Long-feds will be scarce, the season's supply of yearlings—calves that went into feeders' hands last fall—will be garnered early, and at some stage actual beef scarcity may develop. Liquidation of the crop of calves that went into feeders' hands last fall is imminent owing to gain cost, and the late 1936 purchase of yearlings has been going to the butcher all winter. Visible supply of heavy cattle, 1,200 pounds up, is already at the vanishing stage, although ever and anon a load or so will report. The few back in the country are in strong hands, but to pay carrying charges an appreciation of at least \$1 per month is imperative. Few, if any, have gone on feed during the past few months to assure continuance of even the present meager supply.

Consumers Not Resisting

Processors are "short of kill," feeders, "short of feed"—a condition that will effectively prevent an abundant beef supply. In such an emergency the only alternative is putting consumers on lighter product. This does not imply hardship, and in any event few heavy carcasses are needed by the trade. Always light product insures maximum results to producers and meets popular demand at the consumer's side of the retailer's counter.

As to spring and summer cattle prices, the trade is chary of risking its individual or collective opinion. Heretical as it may sound, there is such a thing as excessive beef cost weaning consumers from the product. In fact, surprise is expressed that no serious resistance has developed. Consumers have gone along with the appreciation, reducing purchases to some extent, as tonnage has diminished, but at no time has congestion in outlet channels appeared.

Poole's Prophecy on Summer Live-Stock Supply and Markets

Heavy, long-fed bullocks will be scarcer than ever, especially the good-to-choice kinds;
Yearlings will be cashed early and at light weight;
Low-grade cattle will find an eager market; grass beef, a broad one;
Stock-cattle prices will be high;
Hogs will be marked up to help move big meat and lard stocks;
Lambs will hold to present prices until new western crop fixes revised trading basis;
A further appreciation in hides is inevitable; in wool, likely.

Healthy Yearling Market

Practical disappearance of finished, heavy steers insures a healthy market for all kinds of yearlings—steers, heifers, or mixed sexes. Upper-grade yearlings of the old crop, weighing 1,000 to 1,100 pounds, are already on a \$12.50 to \$15.25 basis and should hold that level all summer, if not earn more money. As the season works along, grass will become a factor, swelling the supply of lower-grade cattle, although it is doubtful if there will be an excess of any kind. Until September no considerable tonnage of grass beef can be expected from the trans-Missouri area, and it is doubtful if 1936 supply conditions will be repeated then. Last year the entire western cattle country continued liquidation—in evidence for several years previous—basic stocks are low, and curtailment is logical. An inventory of the beef cattle population of the country would be interesting, if possible. Unfortunately the industry has only "guesstimates" on the subject, this including feed-lot contents.

Nebraska is a conspicuous beef-supply delinquent this year. It could not be otherwise under existing feed conditions. But this does not apply alone to Nebraska, the best cattle feeding ground in South Dakota, the major part of Iowa, and much of Illinois being similarly situated. Hauling corn from sections where a fair corn crop was husked last year to drought areas has sent thousands of light cattle to the market prematurely. A demand for light steers of the non-descript type selling from \$7 down heralds the rise of grass. Such cattle may be grazed to go on feed next fall—an operation that has been highly profitable. Feeders are taking out a few 800- to 1,000-pound half-fat steers for a 90-day feed at prices ranging from \$8.50 to \$11 per cwt., always in competition with killers.

Stockers Strongly Held

Stock and feeding cattle are strongly held everywhere. Winter replacement has been of small volume, and over much of the grazing area pasture prospects are excellent, so that thin cattle will be needed in large numbers. Buying orders have accumulated at the markets and, over the hinterland, scouts are constantly in circulation. Truckmen skirmish to fill orders, buying odd head and making long hauls, operating speculatively and making (Continued on page 27, under "Markets")

Texas Cattle Raisers Meet

THE MOST POTENT THREAT TO THE WELFARE of the cattlemen is the possibility of Senate approval of the Argentine pact, President H. F. McGill told a thousand cattlemen attending the sixty-first annual convention of the Texas and Southwestern Cattle Raisers' Association, held at Ft. Worth, Texas, March 16-18.

He recalled the fight that Texas cattlemen made against foot-and-mouth disease in the past, and said that when the Argentineans cleaned up the disease it would then be time to talk about importing from that country. He said that the industry is in sound condition, because "private money is seeking an outlet in live-stock and land loans."

Other speakers during the two-day sessions included C. B. Denman, former president of the National Live Stock Marketing Association and now agricultural counsel for the National Association of Food Chains; John A. Logan, executive vice-president of the food chains organization; E. N. Wentworth, director of Armour's Live Stock Bureau; and Roy Hudspeth, president of the Texas Sheep and Goat Raisers' Association.

Among the resolutions adopted were the following:

Opposing ratification of Argentine sanitary pact;

Commending chain stores and other agencies co-operating in national beef campaign last August;

Recommending increase to 50 cents a car on stock marketed for support of National Live Stock and Meat Board.

Requesting that importation of cattle under Canadian trade agreement be put on weekly or monthly quota basis;

Favoring tax of 10 cents a pound on oleomargarine in which less than 100 per cent domestic fats and oils is used;

Approving proposed regional range cattle research laboratory for southwestern states;

Opposing "any legislation which does not extend soil conservation facilities to every land owner everywhere in the United States, which creates innumerable and useless new political subdivisions, which sets up new boards and officials, which abolishes management of land owners by giving land occupiers police powers," and urging "therefore . . . defeat of bills modeled after the so-called standard [soil-conservation] act;"

Indorsing McCarran bill providing for penalty for interstate movement of stolen live stock;

Urging state senate to pass bill regulating auction sale rings;

Recommending that Department of Agriculture furnish alfalfa seed to ranchmen of state.

Officers re-elected were: President, H. F. McGill, of Alice; first vice-president, J. T. Sneed, of Amarillo; second vice-president, Jay Taylor, of Amarillo; treasurer, John N. Sparks, of Ft. Worth. Successor to the late E. B. Spiller, sec-

retary-manager, will be selected by the executive committee upon recommendation of a special committee. The executive committee named Tad Moses and Henry Bell as assistant secretaries and Dayton Moses as attorney—all of Ft. Worth.

Meeting place selected for 1938 is San Antonio.

Kansas Cowmen in Convention

AMONG THE RESOLUTIONS, BRIEF IN language and number, adopted at the twenty-fourth annual convention of the Kansas Live Stock Association, held in Wichita, Kansas, March 10-12, were the following:

We oppose the Argentine sanitary convention.

We favor regulating community sales in Kansas.

We favor enactment of a 2 per cent retail sales tax, 1 per cent to be used for benefit of elementary schools.

We renew our former resolutions [demanding protection for domestic fats] on fats and oils of foreign origin.

Inasmuch as grading of beef is a very debatable question, we oppose compulsory legislation on this question at this time.

We favor the gasoline exemption law, with provision for strict enforcement thereof.

We heartily endorse the excellent work done to advance the meat industry by the National Live Stock and Meat Board. We also express our appreciation of all interests which have supported and co-operated with the board in making possible its extensive activities.

John W. Briggs, of Protection, was elected president; William Ljungdahl, of Menlo, first vice-president; E. C. Kielhorn, of Cambridge, second vice-president; Fred G. Laptad, of Lawrence, third vice-president; Edward C. Robbins, of Belvidere, fourth vice-president. Secretary of the association is J. H. Mercer, of Topeka.

Arizonans Pass Resolutions

AMONG RESOLUTIONS (SEE MARCH PRODUCER for proceedings) passed at thirty-third annual convention of the Arizona Cattle Growers' Association, held in Douglas, Arizona, February 16-17, were the following:

Demanding that trade treaties with foreign nations be subject to ratification by Senate and that imports under Canadian agreement be placed on weekly or monthly quota;

Protesting against agreement with South American countries which would permit importation of canned beef; urging increase of 50 per cent on canned beef tariff;

Urging increase in duty on hides;

Indorsing federal law against interstate transportation of stolen live stock;

Commending activities of Meat Board and recommending collection of 50 cents a car for its work;

Asking that Bang's disease campaign be on voluntary basis;

Opposing proposed abolishment of state land board or any consolidation of state sanitary board with other agricultural departments;

Thanking officers of American National for work for live-stock industry;

Indorsing work of Biological Survey and asking appropriation of \$15,000 from state for fight against rodents;

Urging that transportation rates be established on basis of cost of performing service plus reasonable profit;

Asking that term permits, ten years, be issued under Taylor Grazing Act; requesting Secretary of the Interior to complete mandate of Section 8 of act before application of Section 15 uses all available lands; urging that powers of local advisory boards be more definitely specified by amendment;

Requesting further federal funds for study of state forage plants and of "how to stop spread of worthless shrubs;"

Urging 10-cents-a-pound tax on oleomargarine containing less than 100 per cent domestic fats and oils;

Opposing ratification of Argentine sanitary pact.

Next year's convention will be held in Prescott.

New Mexico Cattlemen Meet

MEMBERS OF THE NEW MEXICO CATTLE Growers' Association in their twenty-third annual convention at Raton, New Mexico, March 26-27, heard criticism of the proposed Argentine pact and the Soil Conservation Service.

"We must not use sanitary bars to replace tariff walls," F. E. Mollin, secretary of the American National Live Stock Association, told the group. "But, at the same time, when England puts up bars, South America puts its live stock in cans and ships it to us; when Germany bars South American products, they are shipped to us. We cannot raise the living standard of the entire world."

A. D. Brownfield, of Florida, N. M., president of the New Mexico organization, likewise hit at the Argentine pact. "Nothing in the way of government pacts must interfere with proper sanitary provisions for the cattle industry," he said. Suggesting decentralization of the Soil Conservation Service, Mr. Brownfield said that "control of soil conservation and land use by governmental agencies must not be arbitrary and centralized, but must be decentralized and broken down in order that some semblance of local self-government be maintained."

Albert Mitchell, former president of the New Mexico organization and president of the American National Live Stock Association, addressed the group in a talk about general problems of the industry.

Other subjects discussed were: Banking—by Arthur F. Jones, chairman of Agricultural Committee of State Bankers' Association; Range Conservation—

by W. A. Wunsch, of State College, N. M., executive secretary of the Soil Conservation Division of the AAA; Marketing—by H. W. Mathews, Agricultural Research Division, Swift and Co.; Land Office—by Frank Worder, State Land Commissioner; Forest Grazing—by D. A. Shoemaker, of Albuquerque, N. M., Assistant Regional Director; Agricultural Colleges—by Ray Fife, of State College, president of the New Mexico College of Agriculture and Mechanic Arts; "Live Stock Situation"—by L. M. Pexton, vice-president of the Denver Union Stock Yards; "Taylor Grazing Act"—by A. D. Molohon, of Salt Lake City, Chief of Range Management.

Among the resolutions adopted were the following:

Reaffirming loyalty to American National Live Stock Association, and indorsing its platform adopted at El Paso last January;

Demanding protection of home markets for domestic meats; opposing reciprocal trade agreements;

Indorsing work of Bureau of Biological Survey; recommending its continuance on adequate basis;

Asking that continuance of Bang's program be on voluntary basis and that research into satisfactory vaccine for disease be continued;

Urging increase of 50 per cent in canned beef duty;

Thanking national food chains for work in beef month campaign;

Indorsing Kleberg bill which would discontinue retailer's license fee on margarine made 100 per cent from domestic fats and oils;

Commending President Roosevelt in selection of F. R. Carpenter as grazing director; commending Secretary of the Interior for establishment of grazing districts with local autonomy; recommending issuance of term permits;

Requesting Senate to appoint committee for investigation of land use within state to end that conflicting policies may be reconciled;

Opposing purchase of more land in New Mexico for use of Indians;

Asking for federal research work on important range forage plants in New Mexico;

Asking Board of Regents for New Mexico Agriculture College to consider allocation of funds for building for teaching and "use and furtherance of live-stock interests;"

Opposing figure set by Soil Conservation Service on grazing land capacity as being too low, due to drought conditions, for use as permanent capacity rating;

Favoring proposed law making interstate transportation of stolen live stock a federal offense;

Indorsing principle of soil conservation, but urging that ranch lands and farming lands be formed into separate divisions to avoid dangers of combining them under conservation work.

Local Live-Stock Meetings

A BAD, INSTEAD OF THE USUAL MILD, winter and a 30-day delay in the grass-fattening process has not dismayed the grass cattlemen of Santa Barbara County. This California county, which juts half forth into the Pacific, needs only a few showers and some warm weather, in the opinion of delegates to the annual meeting of the Santa Barbara County Cattlemen's Association, held on March 20 at Los Alamos.

Speakers included L. H. Rochford, cattle and sheep specialist, University of California extension service, who said that south coastal cattlemen have the largest investment per animal unit of any group of cattlemen in the state, and therefore such factors as calf crop, quality, and efficiency must be given particular attention. He said that most California grass cowmen are concluding that it is best to turn cattle off each season and depend to a greater extent on an outlet for feeders. Supplemental feeding is proving its worth this spring to a greater extent than usual, he said. Such feeding is ordinarily necessary in the south coastal section.

John Curry, secretary of the California Cattlemen's Association, discussed state legislation. Stressing importance of organized action against hurtful measures, he cited the California veterinary practice bill, which as originally drawn would prevent druggists from selling vaccines and other curatives for live stock; the measure would virtually limit all treatment of animals to licensed veterinarians.

Hub Russell, member of the Legislative Committee of the American National Live Stock Association, told about work of that organization in behalf of western cattlemen, particularly referring to the fight on the Argentine sanitary convention in which the National is taking the lead.

Walter Buell, of Buellton, president, and Theodore Chamberlin, Jr., of Los Olivos, secretary, were renamed for another term.

* * *

Panhandle Live Stock Association members, meeting at Amarillo, Texas, March 8, opposed ratification of the Argentine sanitary pact; urged tax of 10 cents per pound on margarine containing high percentage of imported oils; objected to canned meat importations; asked for weekly or monthly cattle import quotas; indorsed McCarran bill to make interstate movement of stolen cattle a felony; asked establishment of range experiment station under Department of Agriculture; and indorsed soil conservation program. The cattlemen also proposed that the present assessment of 25 cents a car for the National Live Stock and Meat Board for meat advertising be doubled.

Chanslor Weymouth, Amarillo ranch-

man, was elected president, succeeding Jay Taylor, of Amarillo. The new vice-president is M. T. Johnson, who succeeds Jack Roach. Grover Hill, of Amarillo, was re-elected secretary-treasurer.

* * *

Resolution passed at the annual meeting of the Spearfish Live Stock Association, held at Spearfish, S. D., on February 20:

This association protests any trade arrangement with South America designed to increase the importation of live stock or meat. The cattlemen of this country are well able to produce all the beef needed for the people, and we demand the right to do so. We believe the trade should flow between the industrial East and the western farmers and stockmen, whose farms and ranches are in constant need of factory goods.

Every pound of meat imported replaces meat that can and should be supplied in this country. The movement to import farm produce that can be supplied here is in bold contrast to the heretofore stated purpose of farm relief.

The removal of sanitary restrictions intended to prevent the importation of foot-and-mouth disease is in itself extremely dangerous.

* * *

At the annual meeting of the Yavapai County (Arizona) Cattle Association, held at Prescott on February 10, Carl Rees, of Chino Valley, was elected president, and Roy Hays, of Kirkland, vice-president. Robert E. Perkins, of Prescott, was renamed secretary.

* * *

Pueblo County Stock Growers' Association members, in quarterly meeting at Pueblo, Colorado, March 27, heard F. E. Mollin, secretary of the American National Live Stock Association, explain current national legislation affecting live stock.

A finance plan was perfected at the gathering for the three-way support of the Pueblo organization, the Colorado state cattlemen's association, and the national body, the scheme, a bull-ticket affair, to be carried out at a picnic scheduled for August 7 at Rye, Colorado.

Officers are: President, A. L. Allen; vice-president, Fred Dunham; and secretary-treasurer, Lewis E. Edmundson. The executive board consists of the above named officers and Joe McCarthy and R. F. Billington.

* * *

The president, vice-president, and secretary of the Mohave Live Stock Growers' Association (Arizona), chosen at recent meeting, are, respectively, C. L. Cornwall, Clyde Cofer, and Mrs. H. B. Gaddis.

* * *

At the Pinal County (Arizona) Cattle Growers' Association annual meeting, held at Florence on February 12, all officers were renamed, with the exception of Marion Williams, whose place as director was given to Charles Weeks, of Mesa. J. C. Jamieson, of Oracle, is

president, and William Clemans, of Florence, secretary.

* * *

Officers chosen at the meeting of the Northern Arizona Cattle Growers' Association, held in Holbrook on February 27, were: President, Ross Perner, of Snowflake; secretary, J. C. Wetzler, of Holbrook; vice-presidents—for Navajo County, A. B. Randall, of Joseph City; for Apache County, Gay Udall, of Springerville; for Coconino County, Martin Buggeln, of Grand Canyon. State directors—for Navajo County, Wm. R. Bourdon, of Holbrook; for Apache County, Loy Turbeville, Holbrook; for Coconino County, Martin Buggeln.

* * *

State and national legislation affecting live stock was the chief topic of discussion at the quarterly meeting of the San Luis Valley Cattlemen's Association, held at Monte Vista, Colorado, on March 20. Speakers on the subject of current state legislation were State Senator Elmer Headlee, of Montrose, and State Representative Pete Harvey. The field of national legislation affecting the industry was reviewed by F. E. Mollin, secretary of the American National Live Stock Association.

President of the San Luis association is Thomas Taylor, of Alamosa; secretary, Earl Linger, of Alamosa.

* * *

Among resolutions adopted by Bent-Prowers Cattle and Horse Growers' Association convention, held at Las Animas, Colorado, February 22, were the following:

Asking that no increase in levy or assessed valuation be made "in this drought area;"

Favoring additional inspectors, if needed, to protect members in situation arising from much complained of stock trucking without proper authority or bills of sale;

Opposing any direct marketing system and recommending marketing through "our regular marketing system now set up by our commission firms;"

Requesting assignment of additional members on state courtesy patrol to help in hindering live-stock theft (see March PRODUCER, p. 11).

* * *

One hundred stockmen attended the annual meeting of Elbert County Stock Growers' Association, held at Kiowa, Colorado, on March 27. Officers renamed were: Elmer Mourning, president, and A. C. Cornforth, secretary-treasurer.

* * *

At the annual meeting of the Plumas-Tahoe Cattlemen's Protective Association, held at Bangor, California, on February 27, the following resolution was adopted:

Resolved, That this association go on record as being opposed to the Argentine pact or any reciprocal trade agreement with any country where hoof-and-mouth disease exists.

First Live-Stock Imports

THERE WERE APPARENTLY NO CATTLE, hogs, or sheep in North America when Columbus first came over from Spain, says the *Meat and Live Stock Digest*, published by the Institute of American Meat Packers. Five centuries earlier, the Norsemen are said to have landed "quite a cargo" of cattle somewhere on the North Atlantic coast, in their settlement of "Vinland," and in Greenland, from which these particular Norsemen had come, cattle were even being raised for export to Europe; but historians have been unable to find any further trace of the cattle so brought to New England or elsewhere.

Columbus, having noticed the absence of domestic life in the West Indies, brought cattle, hogs, sheep, and poultry (in his second voyage, in 1493) to the island of Hispaniola (Haiti). Incidentally, Haiti was one of the islands where live stock fared better under the first century of Spanish rule than did the human inhabitants, and where "buccaneers" thus first came into existence to dry and smoke, or "boucan," the meat of huge herds of cattle and hogs running wild there.

Wild-Life Group Holds Meet

HUNGRY STOMACHS, EVEN FALL OF CIVILIZATION, threatens unless destruction of the soil ceases, J. N. Darling, president of the new General Wild Life Federation, warned conservationists at the closing session March 4 of the North American Wild Life Conference.

"In 1960, at the present trend of destruction of soil and the increase in population, the upward curve of population will cross the downward curve of tillable soil until we have just three acres of tillable land per person to live on. And that is considered the lowest possible minimum by which we can maintain our standard of living. After that we head down to the level of the Chinese."

Ernest G. Holt, head of the section of wild-life management of the Soil Conservation Service, told the delegates "the Soil Conservation Service finds that already 100,000,000 acres of once good crop land have been essentially ruined by erosion for further crop production," and "this rate of destruction is continuing at the rate of 200,000 acres a year. It simply means that each year the crop lands of the country will support 2,500 fewer farm families than the year before." He said that in addition approximately 100,000,000 acres still largely in cultivation have lost all or the greater part of the productive topsoil.

Among resolutions adopted was one sponsored by the Wyoming delegation that committed the conference to opposition to modification of existing laws relating to movement of live stock or live-stock products from foreign countries known to harbor foot-and-mouth disease.

New Marketing Group Head

E. A. BEAMER, BLISSFIELD, MICHIGAN, was elected president of the National Live Stock Marketing Association on March 25. Members of the executive committee include H. L. Kokernot, of San Antonio, Texas, and Day P. Espy, of Rawlins, Wyoming.

Cyrus B. Denman, previous president of the marketing association, will join the staff of the National Association of Food Chains on April 1 as agricultural counsel. In announcing the appointment, John A. Logan, executive vice-president of the food chain organization, said that lack of an organized co-operative marketing system has handicapped food chain distributors in rendering effective service when needed by producers, and that Mr. Denman will be able to "interpret problems, operations, and requirements of agricultural producers."

Vaccinating for Bang's

CALFHOOD VACCINATION FOR BANG'S disease is a "promising means" of combating contagious abortion, says Dr. John R. Mohler, chief of the Bureau of Animal Industry, but all work is "still in the experimental stage." He warns that "live-stock owners should hesitate to place faith in claims that promise more than scientific findings to date warrant."

Dr. Mohler says:

"Vaccine should not be given to pregnant cattle as it may cause them to abort and thus spread infection. It also may cause them to spread infection in the case of a seemingly normal birth. Nor should the vaccine be used in herds that are free from Bang's disease. The vaccination of mature cattle, even though non-pregnant, is considered inadvisable."

The Calendar

April 16—Nebraska Feeders' Day, Lincoln, Neb.

May 17-18—Annual Convention of Washington Cattlemen's Ass'n, Yakima, Wash.

May 19-21—Convention of Montana Stock Growers' Ass'n, Bozeman, Mont.

May 28-29—Northern Arizona Cattlemen's Bull Show, Holbrook, Ariz.

June 1-2—Convention of Wyoming Stock Growers' Ass'n, Casper, Wyo.

June 4-5—Convention of Cattle and Horse Raisers' Ass'n of Oregon, Prineville, Ore.

June 7-8—Convention of Western South Dak. Stock Growers' Ass'n, Philip, S. D.

June 8-10—Intermountain Junior Fat Stock Show, No. Salt Lake, Utah.

June 10-12—Convention of Nebraska Stock Growers' Ass'n, Broken Bow, Neb.

July 16-17—Convention of Colorado Stock Growers' and Feeders' Ass'n, Steamboat Springs, Colo.

Jan. 12-14—Forty-first Annual Convention of American National Live Stock Ass'n, Cheyenne, Wyo.

AMERICAN CATTLE PRODUCER

Published monthly in the interest of the live stock industry by the American National Live Stock Association Publishing Company.

Subscription: One Year, \$1; Three Years, \$2.75; Six Years, \$5. Advertising Rates on Request.

515 COOPER BUILDING, DENVER, COLORADO

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EDITORIALS

Grading Bill Fight

ANYONE WHO HAS HEARD PACKER representatives discuss beef grading in recent months has heard the preliminary statement that the packers are not going to oppose the grading measure which was introduced in Congress last summer, which statement is always followed by a detailed list of objections to government beef grading. If the talk is made in the West, it is assumed that the grading is for the benefit of the Corn Belt feeders; if in other sections, then it is inferred that the western range man is seeking an unfair advantage.

To begin with, the packers are squarely inconsistent in their position on government beef grading. Constantly opposing government grading, they are just as constantly grading more beef in their own plants.

Some of the objections they raise are absurd. They say that if the beef-grading bill is made law, the packers will cease advertising beef. It is not mentioned that they never did advertise beef, with the minor exception of one or two small displays in the last year or two, during which time the grading bill has been a live issue.

It is claimed that if the bill is passed, packers may have to delay paying for live animals until the grade of the beef is determined. During the year 1936 something more than 400,000,000 pounds of beef were graded by the government and approximately 1,000,000,000 pounds by the packers themselves, and we have not heard of any payment for live stock being delayed awaiting its grading. There is no more reason why this posi-

tion should be taken if the bill is passed than obtains at present.

Another charge made at a recent meeting is that if the measure were enacted certain of the lower grades of animals might be unsold in the markets. This statement calmly ignores the fact that markets are scoured daily for anything looking like cheap beef. There is always a buyer available for all current offerings, and no one knows this better than the packers.

These attempts to defeat any progress in the matter of beef grading by way of creating fear as to the outcome do not do credit to the men who make such statements or to the higher-ups who apparently sponsor them.

It is suggested that the consumption of beef will be discouraged by the marking of the lower grades, yet the packers themselves are branding increasing amounts of the fourth grade and were the first to start the branding of the fifth grade ("medium" and "common" or "plain," in government grading parlance.)

A favorite point of attack has been on the result of more than two years' experience under the Seattle beef-grading ordinance. The charge is that the price of lower-grade cattle has been depressed. We have repeatedly asked the packers to furnish detailed data bearing on this point, as it is a matter which does not need to be left in the realm of guessing. The prices paid for live cattle and for dressed beef at Seattle are a matter of public record. They can be compared during the entire period since the beef-grading ordinance went into effect late in 1934. (A tabulation of these prices will be given in the May PRODUCER.)

THE PRODUCER does not pretend to say that the beef-grading bill as introduced last year or as revised, ready for introduction this year, is the final word on the subject. It was proposed for the purpose of developing facts from which it is hoped to form a final program for the industry. We do think that the problem is of sufficient importance to the industry as a whole that it merits fairer consideration from the packers than it has received to date.

One thing is certain: Beef grading is already well established. The packers themselves admit that the demand for graded and stamped beef is constantly increasing. The problem before us then is not whether beef should be graded and stamped, but how best to do it. Now is the time to attempt to solve that problem. Are we going to have a system that will be uniform, so that the housewife can be educated as to the grades and names, or are we going to continue the present multiple and confusing system, under which nobody knows how many different grades and brands there are, or what they represent?

The proposed bill permits the packer's name to be interwoven with the government stamp, or the use of the packer's private brand in addition to the government stamp. Points which should be calmly discussed are (1) whether grading should be compulsory; (2) whether it should include all the lower grades; (3) whether the present grades and names are properly adapted to current usage, or whether they should be revised; (4) if grading is not to be made compulsory, study should be given to the establishment of a uniform grade, providing penalties for any packer who uses any other standard; (5) if the latter suggestion should be adopted, then the question to decide is whether the grading should be done by the packers themselves, subject to occasional check by government inspectors, or whether all grading should be done by official graders qualified under the act.

It is expected that the new bill will be introduced shortly and that there will be hearings before a subcommittee of the House Committee on Agriculture soon thereafter. Anyone who can advance helpful suggestions will be welcomed as a witness at that hearing. The packers are at perfect liberty to oppose the bill, but, if so, it is hoped that they will do so openly, that they will frankly lay their cards upon the table, and conduct their campaign of opposition upon a basis supported by facts.

The proposed law should be accepted, defeated, or amended upon its merits, not upon the basis of fears and alarms instilled by unwarranted and unsubstantiated statements.

The New Kleberg Bill

FOR SEVERAL YEARS CONGRESSMAN Richard M. Kleberg, of Texas, has kept before Congress a bill designed to help protect domestic producers of fats and oils by means of levying a tax of 10 cents a pound on all margarine not manufactured 100 per cent from domestic fats and oils.

There has never been a chance to get action on this proposed measure, largely because of the constant pressure of emergency legislation outranking it in importance to the agricultural industry. It has served a useful purpose by acting as a checkmate to bills which have been as constantly introduced, sponsored by the dairy industry, calling for a tax upon all margarine, differentiating slightly between that made of domestic fats and oils and that made of imported fats and oils.

In the meantime, all branches of agriculture interested in the fats-and-oil problem have laid aside their differences as to the merits of both types of legislation mentioned above and joined hands in securing the passage of excise taxes upon most of the important fats and oils now being imported into this country. In

most cases this excise tax has been in the amount of 3 cents a pound. It is generally conceded, however, that this 3-cent differential is not sufficient fully to protect domestic fats-and-oils producers in the margarine field.

In order to help meet this situation without awaiting outcome of what may be a long-drawn-out battle as to any additional taxes which may be placed upon margarine, Congressman Kleberg has now introduced a bill, H. R. 3905, which approaches the problem from a new angle.

Recognizing that a tax of any sort is unpopular in certain quarters, even though it may apply only to product manufactured from imported fats and oils, the new measure proposes to do away with the present retail license fee of \$6 for any retailer handling margarine, provided only that he limits sale of margarine to that made entirely of domestic fats and oils. In addition, the bill provides that such product shall be plainly marked to establish that it contains only such domestically produced ingredients.

This bill should meet with immediate favor from all sides. Instead of imposing a tax, it removes a license fee. It will provide an easier outlet for the sale of domestic products, yet will in no way hurt the dairy industry, because people who of necessity buy margarine are not potential butter consumers.

No sound argument can be advanced why margarine made and sold for what it is, composed entirely of domestic product, should not be available in every section of this country to help reduce the deficiency in table-spread consumption, which is inexcusable in a country that produces generously so many types of fats and oils and that boasts a consuming power not matched anywhere in the world. Animal-fat producers will unite with cottonseed-oil and other vegetable-oil producers in urging passage of this highly desirable measure. The only serious opposition which is likely to develop is that from the manufacturers of coconut-oil products. It is not conceivable that any group of domestic producers would line up with these importers in opposing a bill so well merited and so fairly drawn.

Where to from Here

IT IS DOUBTFUL IF EVER BEFORE there has been a time when American agricultural producers were faced with so many cross-currents when they attempted to plan for future operations. So far as cattle producers are concerned, it might be considered by the casual observer that a \$16 top in Chicago was the answer to every possible doubt. The \$16 top looks well on paper but the money is not well distributed, and the price of the rank and file of fed cattle

at this stage of the game is the only sure guide to follow. Even at that, it must be admitted that prices today are on a generous level, largely due to failure of the 1936 corn crop in many important feeding areas. Unless there is some serious disturbance in the meantime, this should guarantee good prices for the annual marketings of stocker and feeder cattle from western ranges during summer and fall.

There are, however, many unfavorable factors in the offing. First, and most important at the moment, is the unsettled labor situation. For weeks there has been one strike after another, and several more huge tie-ups threaten. These have a disturbing effect on markets and plans, to say the least. The rapid "upping" of wages coincident with the strike fever also is a cause for concern. Not that anyone begrudges a fair wage to labor, but many believe a more stable condition would be for the interest of all concerned—labor, agriculture, and industry. Any move that brings too rapid a rise and presages a return to boom conditions will tend to shorten just that much the period of prosperity now in development.

Another matter for concern is the constantly increasing stream of imports of agricultural commodities. Whereas for many years this country boasted a favorable net trade balance running into hundreds of millions annually, now our State Department, with its new policy of lower tariffs, reciprocal trade pacts, and fervor for international peace at any price, is boastful when these favorable balances are turned into unfavorable ones. A statement just issued points with pride to the unfavorable balance of \$63,826,000 compared with a favorable one for the same period in 1936 of \$331,000. It is true that drought and the European war scare have completely upset normal trends, so that we have been able to absorb substantial imports and yet maintain a comparatively high level of prices. What will happen if these imports continue, the European war scare flattens out, and nature smiles upon our agricultural regions may easily be something else.

Then, in case you have nothing else to worry about, there has been signed by the officials of the Argentine government and the United States a document known as the Argentine Sanitary Convention which would encourage imports of dressed beef and dressed mutton from zones in Argentina temporarily declared free of foot-and-mouth disease. In addition, the reciprocal trade program is only half developed, and it is indicated that the State Department plans to draft such agreements with many other foreign countries, some of which export principally agricultural products of which we produce ample supplies in this country. Various South American countries and Mexico are among those which would

be of chief concern to the cattle producer.

All the above boils down to this, that while the immediate future seems bright, anyone who would rashly dare to predict what will happen a year from now, or two years from now, ought to command a good price for his prognostications. It is perhaps well not to have things come too easily—if you have to fight for them, the fruits of victory are sweeter. But we might be pardoned the hope that even the threat of major catastrophes should come singly and not in bunches. One thing is clear: The present level of prices permits the live-stock producer to get his house in order—and he might well do just that, rather than expand upon the rising tide while so many grave uncertainties confront him.

The Aftermath

IT IS EVIDENT THAT PORK LACKS its old-time popularity in consuming circles, writes Poole in his March market story appearing on another page in this issue. He does not go into the reason why, except to remark that some consumers still think the 2¼-cent processing tax is in effect, continuing prejudice against taxed meat.

In a government forecast given in another part of this number, it is stated that an expected reduced hog slaughter will be more than offset by the increase in storage stocks. "On March 1 the increase in stocks of pork and lard over a year earlier was equivalent to the products obtainable from nearly 2,800,000 hogs of average market weight"—evidence of public apathy toward pork.

A third statement—this one by Poole again—is that feeders have learned that an exclusive corn ration is not essential in fitting steers, and that the ration of the future will be radically changed, with many substitute feeds in use.

Several years ago the government started its control program on corn, allotting acreages for sowings that it thought would nicely balance in the scale of supply and demand, confident that it could right the wrongs in the corn and hog business. Then, of course, no drought was reckoned with, and when that unforeseen event occurred there was left of the scheme only its good intentions—but it had considerably aggravated the damage done by the drought.

Now, as a market commentator puts it, "binational and bihemispherical cattle—Alberta cattle fed with Argentine corn—reaching Chicago are a curious instance of a northern non-corn-producing country competing with the once black lands where the coarse cereal used to be king without drought or arbitrary fetters."

Worse still, perhaps, than the immediate effects of the "fetters" and drought are reactions such as those mentioned above. Has a firm prejudice

against hogs been established as a consequence of previous tax, scarcity, and high price? What effect will the substitute steer-fattening ration have on corn producers, meat production, and the live-stock industry?

These are questions that cannot be answered when control programs are being prepared. And in such aftermaths, which may become permanent changes, lurks the greatest danger of control measures.

Waste of Resources

(Continued from page 7)

paid for each animal spayed under government supervision, a great many ranchers would undoubtedly take advantage of it. This has been tentatively suggested before.

Then a law could be passed making it illegal to cut down a tree without planting four young ones, as they do voluntarily in Norway. Even if school children all over the nation were all urged to give a day a year to planting as many trees as possible, it would not be very long before the difference would show clearly. The CCC service has already started in to do this work. The President has himself championed the cause of reforestation, and it is an intensely practical and useful work, in that it resuscitates an ailing national resource, which also helps other resources by retaining water from rainfall, preventing erosion, raising the water table, and promoting a more even flow of streams through retention and flood control. Government propaganda could vastly aid this cause.

Trade Pacts

Finally, one word about the reciprocal trade agreements and the Argentine pact. If the latter is ratified, it would mean a further drop in cattle prices. It would mean that foot-and-mouth disease would undoubtedly get a footing in this country again, with the tremendous expense which always follows to eliminate it. It would make for a curtailment of the market for home-grown beef, which would cause a surplus and subsequent slump in prices for our own product. It would mean the ruin of many cattlemen who have been struggling to keep their heads above water during the past six black years. The reciprocal trade agreement was the thin edge of the wedge; the Argentine pact would be, in effect, driving a jagged wedge home into the cowmen's entrails and twisting it round in the raw wound. I refuse to believe, until it is done, that our senators and congressmen would be parties to such a wanton betrayal of a great industry. Let them remember that we have been selling our cattle for six years at less than the cost of production. Almost every other industry is back in the black again, while the cattle business remains the forgotten one.

GOVERNMENT

Government Outlook Reports

GOVERNMENT REPORTS ON COW POPULATION, fats and oils situation, soy beans, feed grains, and wool are summarized as below:

Milk Cows.—The milk cow population, which has declined 7 per cent, or nearly 2,000,000 head, during the past three years, is believed to have reached the low point. Some increase in the next two years and a marked advance in 1939 are anticipated.

Milk production on March 1 this year was about the same as on March 1, 1936, but is likely to be higher in the coming summer than last year. Production of manufactured dairy products has decreased since last November (usually increases during this period) and continued relatively light production during the remainder of the feeding period was forecast.

Fats and Oils.—A further increase in consumption of fats and oils in 1937 is anticipated. The general outlook appears to be moderately favorable to producers of fats and oils and to growers of oilseeds. Large imports of oils and their raw materials are likely to continue. Foreign supply situation is seen as the most uncertain factor in the outlook. But it is believed the rising demand in foreign countries will more than offset price-depressing effects of any increased production which might develop there.

Consumption of fats and oils in the United States has been increasing since 1932. Total disappearance in 1936 was a little more than 9,000,000,000 pounds, or slightly more than the previous high level in 1929, and 12 per cent more than the depression low in 1932. Production from both domestic and imported materials was 830,000,000 pounds more in 1936 than in 1935, although with the exception of 1935, the smallest in 14 years. Reduced production of lard has been the chief factor responsible for the small output since 1934.

Soy Beans.—The immediate outlook for soy beans was reported as "satisfactory," and the outlook for next fall as "less favorable." For the present, seasonal demand for soy beans for seed purposes is expected to offset price-depressing effects of possible decline in meal prices. On the other hand, possibility of lower prices if farmers carry out increased planting intentions was forecast. "No exact estimate of production can be made, but, with normal yields, from 34,000,000 to 44,000,000 bushels may be expected, with about 38,000,000 bushels as the most probable figure. This would be 8,000,000 bushels more than last year's production, but 6,000,000 less than the record production in 1935."

Feed Grains.—No marked expansion in acreage of corn and other feed grains is being planned by farmers this year despite currently small supplies and high prices of feed. Production of feed grains would total about 94,000,000 tons provided average yields are obtained on the indicated acreage for harvest. Adding to this the small stocks to be carried over at the beginning of the new season on July 1, a total supply of about 1,000,000 tons of feed grains was indicated.

In view of the small corn supplies now on hand, heavy utilization of barley and oats may be expected prior to the harvesting of the 1937 corn crop. In addition, there is prospect for a considerable substitution of wheat for corn as a live-stock feed, until new corn becomes available.

Wool.—Wool prices probably will be maintained near present levels during the first three or four months of the new marketing season beginning April 1. Supplies here and abroad are relatively small and demand conditions continue favorable. Production of shorn wool will be about the same as the 1936 clip of 360,000,000 pounds. There were slightly more stock sheep and lambs on hand January 1 than a year ago, but this factor probably will be offset by unfavorable range conditions in the western sheep states.

The present relatively high level of wool prices as compared with prices of other textile fibers is attributed to "the exceptionally strong demand for wool in the past two years and the reduction in world wool supplies." Wool prices in foreign markets are expected to continue at about present levels, "at least until the new Southern Hemisphere clip becomes available next fall."

Spring Live-Stock Outlook

SUMMARY OF GOVERNMENT OUTLOOK report on the cattle, hog, and sheep situation, bringing up to date the 1937 outlook issued last November, is given as below:

Beef Cattle.—Prices of nearly all grades of slaughter cattle are expected to average higher in 1937 than in 1936, and, perhaps, 1935. Better grades should advance somewhat further, depending in part upon the reaction of consumers to increased price levels. Lower grades are likely to advance seasonally until May or June. These grades usually decline after mid-May or early June, but the drop this year may be less than average.

Slaughter supplies probably will continue relatively large until pastures become an important factor in the feed

situation in late May or June. For the year as a whole, inspected slaughter of cattle and calves probably will be somewhat smaller than that of 1936 but considerably larger than the 1924-33 average.

Further reductions in the marketings of heavy well-finished cattle are expected. Probably marketings of grain-fed cattle generally during the remainder of 1937 will be considerably smaller than in 1936.

Hogs.—Hog prices during the remainder of the current hog marketing year ending September 30 probably will average somewhat higher than a year earlier. Little change is expected during the next two months, but advance in the summer months probably will be at least as great as the usual rise in that period.

Inspected hog slaughter probably will be smaller than in the last marketing year. Most of the decrease is likely to occur during June to September. However, it will be more than offset by the increase over a year earlier in storage stocks. On March 1 the increase in stocks of pork and lard over a year earlier was equivalent to the products obtainable from nearly 2,800,000 hogs of average market weight.

Continuation of recent stronger demand for hog products is probable during remainder of the current marketing year. Foreign demand is not likely to show much improvement. Increase in domestic consumer demand will offset or more than offset effect on hog prices of the expected increase in total supplies.

Total supply of feed grains per head of stock on farms probably will not be larger than it was two years ago following the 1934 drought. The corn supply apparently is smaller.

If hog prices continue relatively high and conditions are favorable for increased acreage of feed crops, some expansion in hog production in areas outside the Corn Belt is probable.

Sheep and Lambs.—New crop spring lamb prices in late April and May probably will be higher than a year earlier. The early lamb crop, mostly to be marketed by the end of June, was indicated to be about 10 per cent smaller than last year. A large part of the decrease was in California, where weather was very unfavorable for growth of feed and development of lambs. Market movement from nearly all areas will be behind last year's and later than usual.

Since market supplies of fed lambs during April and early May are expected to be smaller than those of a year earlier, it is probable that prices for these lambs will be well maintained.

Expected decrease in marketings of lambs will be partially offset by a large movement of grass-fat yearlings from Texas in April, May, and June. Carry-over of lambs from the 1936 crop was very large in Texas, and weather and feed in the principal sheep areas of that state have been quite favorable in recent months.

State Soil Conservation Act

ORGANIZATION OF SOIL CONSERVATION districts, with power "to establish and administer erosion-control projects and preventive measures" and prescribe land-use regulations, subject to approval by local referendum, is provided for in a standard state statute for erosion control recently prepared by the Department of Agriculture.

The act provides for a "State Soil Conservation Committee" with power to define boundaries of "districts," encourage their organization, and co-ordinate their programs "so far as this may be done by advice and consultation." Members would be the state director of extension, the director of the state experiment station, and the state conservation commissioner or commissioner of agriculture.

Any twenty-five "land occupiers"—owners, lessees, renters, tenants—may petition the state committee to establish a district, but a majority of votes in referendum must be in favor of such creation. Land occupiers of the district elect a governing board of five.

The district will have power to do research in erosion control; conduct demonstrational projects; carry out preventive and control measures; enter into contracts with farmers and give them financial and other assistance; buy lands for retirement or for project purposes; make loans and gifts of equipment, machinery, seeds, etc., to farmers; take over and operate state and federal erosion-control projects; and recommend land-use plans for soil conservation. These powers can be carried out upon private lands only with the consent of the owner.

The supervisors of each district may also formulate an ordinance prescribing land-use regulations for soil conservation, effective only after submission to referendum of the land occupiers. Regulations may include provisions requiring engineering operations such as construction of terraces, check-dams, etc.; requirements for particular methods of cultivation, such as contour cultivating, lister furrowing, strip cropping, planting of trees and grasses, etc.; specifications of cropping programs and tillage practices, including rotations; and requirement that steep or otherwise highly erosive land be retired from cultivation.

Failure by land occupiers to observe regulations is punishable by fine as a misdemeanor. In addition, supervisors may file petition with the local courts asking the court to order observance of the regulations. Such court order may provide that if the land occupier fails to perform, the supervisors may go upon his lands, do the necessary work, and collect the costs from the land occupier.

Upon adoption of land-use regulations, a board of adjustment must be established, authorized to permit variances from the land-use regulations in cases

where application of the strict letter of the regulations would result in "great practical difficulties or unnecessary hardship," this subject to review in the local courts.

After five years, land occupiers may petition for discontinuance of the district.

Funds to finance operations of the districts will come from: Direct appropriations out of the state treasury and grants-in-aid made by the Soil Conservation Service or other federal agencies. The districts are not authorized to levy any taxes or special assessments or to issue bonds.

FTC Food Industries Report

FROM THE FEDERAL TRADE COMMISSION report of an investigation of the nation's food industries, released on March 2, we summarize and quote as follows:

Income.—Gross income of farmers for such principal products as wheat, cotton, tobacco, live stock, and milk declined sharply between 1929 and 1932 but recovered considerably by 1934. In the case of the principal manufacturers, processors, and distributors, a much smaller decline was shown.

Share of Consumer's Dollar.—For beef, retailing in 1935 at \$27.02 per hundred pounds, wholesale and retail distributors received a gross margin of 42 per cent; processors, about 13 per cent after deducting cost of the live animal; farmers, 40 per cent; for transportation, etc., about 5 per cent.

Concentration and Control.—"In the processing, manufacture, and distribution of farm products, there is often a high degree of concentration and control. . . . The ten leading meat companies bought in one year cattle and calves in a quantity equal to 51.3 per cent of the total production for 1934 and 37.4 per cent of the hogs. . . . Largest purchaser was Swift. . . . Armour was second largest in each case, with Cudahy in third place for cattle and Wilson in third place for hogs. . . .

"The leading meat-packing companies in one year (1935) sold the equivalent of 70.3 per cent of the beef, 98.5 per cent of the veal, 35.1 per cent of the fresh pork, and 54 per cent of cured and processed pork products."

Methods of Acquiring Control.—"The method of acquiring control "is to a large extent the history of the well-known combinations or trusts, among which those in tobacco and in meat are the best known among agricultural products. . . . The history of the great meat packers especially is characterized by a variety of unfair devices, such as railroad rebates, controlling the stock yards, and combining for the purchase of live stock by allotting the quantities to be purchased and thus keeping down prices. In the sale of their meat products, agreements on selling prices, the possession of private car lines, and great chains of branch houses have helped in giving them the advantage over competing companies."

Farmers' Co-operatives.—"The great development of co-operatives has occurred since the World War, and was

caused by the general decline in agricultural prices. . . . Co-operative live-stock organizations, according to recent data, handled 13,000,000 animals in one year through 44 agencies in 33 markets."

Growth of Capital, Earnings.—"Growth of capitalization and assets from 1914 to 1935 for the groups of corporations concerned with the handling of the principal agricultural products here considered . . . was much greater in 1935 than in 1914 for every important group or subgroup, except the manufacturers of leather. . . .

"Average annual returns for . . . the seven-year period averaged approximately as follows: Meat packers, 4.3 per cent; shoe manufacturers, 4.8 per cent; . . . hide and skin brokers and dealers, 5 per cent.

Supply and Distribution.—"The complexity of the channels of supply and distribution is illustrated: "Of the live-stock purchases reported by 13 of the larger live-stock commission companies, more than 69 per cent of the cattle, about 39 per cent of the hogs, and nearly 36 per cent of the calves were purchased on the average directly from live-stock producers. Commission houses operating at public stock yards supplied about 21 per cent of the cattle and about 50 per cent of both calves and hogs. Together these two sources furnished about nine-tenths of the cattle, calves, and hogs handled by these companies. . . . For individual companies, however, purchases directly from live-stock producers ranged from about 7 to 100 per cent for cattle, from 18 to 100 per cent for hogs, and from 28 to 100 per cent for calves. Purchases through commission houses ranged from less than 1 per cent, 3.5 per cent, and 42 per cent for cattle, calves, and hogs, respectively, to 100 per cent. These thirteen companies sold about 80 per cent of the cattle and calves and nearly 74 per cent of the hogs which they handled to meat-packing companies.

"Eleven principal meat-packing companies, included in the inquiry, obtained 71 per cent of the cattle slaughtered, more than 59 per cent of the calves, and nearly 31 per cent of the hogs from live-stock commission houses operating on public stock yards, while about 25 per cent and 28 per cent of the hogs were purchased, respectively, directly from live-stock producers through country buyers. For individual companies, the percentages of cattle bought through commission houses ranged from about 17 to 87 per cent, and hog purchases through each of the above sources ranged from less than 1 to over 50 per cent.

"As for the sales of 8 important meat-packing companies, independent retail meat markets and grocery stores constitute the most important channel of distribution for fresh meat, and these stores took more than 67 per cent on the average of the fresh beef, and about 75 per cent of the fresh pork and of the veal sold. For individual companies, however, these proportions ranged from 27 to about 89 per cent for fresh beef, and from nearly 17 per cent to about 87 per cent for fresh pork."

Salaries.—"The highest reported total compensation was \$1,051,630 for the president of the American Tobacco Co. . . . Salaries for the officers of co-opera-

tives are distinctly too low. They averaged only a little more than \$5,000."

Recommendations.—"The commission asked Congress for power to prevent business mergers tending to lessen competition.

Clippings from the Capital

Outstanding decisions of the U. S. Supreme Court, handed down on March 29, (1) upheld constitutionality of the revised Frazier-Lemke farm mortgage moratorium act, to permit insolvent farmers to adjust their debts and to retain possession of their property for a three-year period during which they might redeem it; (2) approved the railway labor act, passed under the commerce clause of the constitution, providing for majority rule and compulsory collective bargaining between railway operators and railway workers; (3) upheld Washington state law establishing a minimum wage for women, reversing the court's previous stand on the New York minimum wage case.

John M. Carmody is the new head of the Rural Electrification Administration, succeeding Morris L. Cooke. Mr. Carmody was in the steel industry for 10 years prior to entering the government service in 1933.

Dr. S. O. Fladness has been named chief of the Field Inspection Division of the Bureau of Animal Industry. He has been assistant chief of the division for the past five years and succeeds Dr. George W. Pope. Dr. Fladness has participated in scabies and tick-eradication work in the West and South, in campaigns against foot-and-mouth disease during 1914 and 1924, and in tuberculosis eradication work. On two occasions he was sent to South America to investigate disease-control methods and their relation to foreign trade.

Senate Joint Resolution 75 would appropriate ready funds of \$5,000,000 for the control of insect pests and plant diseases. It passed the Senate on March 15.

Federal Surplus Relief Corporation recently received bids from tanners, in its next to last remaining 200,000-hide monthly auction, for light native cow-hides averaging 16.61 cents a pound. For similar quality hides offered on Apr. 23, 1936, 8.61 cents a pound was accepted. The original federal hide holdings accumulated during the government's drought cattle purchase program in 1934 were 2,134,825 hides and skins.

President Roosevelt's committee which visited nine European countries and studied European co-operation for two and a half months recommended recently in its "factual and explanatory" report that the government undertake a survey to determine the extent of co-operatives

in the United States, their major social and economic effects, and the conditions under which they develop.

Total applications for participation in the 1936 range conservation program in the thirteen western states numbered 28,202. Area applied for was 75,243,000 acres. New Mexico was the leading state in practices performed in 1936.

The National Grange, through its Washington representative, presented on March 25 before the Senate Judiciary Committee a statement calling upon Congress to defeat President Roosevelt's judiciary reform program.

National Co-operative Milk Producers' Federation has indorsed a bill introduced by Congressman Marvin Jones to reenact the marketing agreement and order sections of the Agricultural Adjustment Act.

Credit institutions under supervision of the Farm Credit Administration will be only slightly affected by the recent Supreme Court decision on the Frazier-Lemke amendment to the Bankruptcy Act, according to W. I. Myers, governor of the Farm Credit Administration. The policy has been that when the delinquent borrower is doing his level best to meet his payments and when no other covenants of the contract are being violated, the banks make every effort to assist him through deferment, extension, or re-amortization of the loan, said Myers.

The \$100,000,000 crop insurance bill was passed by the Senate on March 30 and sent to the House. The bill is limited to wheat and will become operative on the 1938 crop. Co-operation by farmers in the administration's general agricultural program is stipulated as a condition precedent to securing benefits from insurance.

Farm tenant bill lost the section, through agricultural committee action, providing for an appropriation of \$50,000,000 a year to buy land for resale to tenants, who would repay over a 45-year period. The measure was sponsored by Representative Marvin Jones of Texas.

A department for consumers was hinted at in an address by Secretary Wallace at a conference sponsored by the Consumer's Emergency Council recently, in which was mentioned "a department" which at "some future time" might be "devoted more exclusively in representing the consumer in government."

Federal Oleomargarine Law of 1886 under amendment introduced by Representative Collier, of New York, would have stricken from it the retail food dealers license clause requiring payment of license fee of \$48 for sale of colored and uncolored margarine and \$6 when only white margarine is handled.

TRAFFIC

Traffic and Transport

BY CHAS. E. BLAINE

THE INTERSTATE COMMERCE Commission has sustained the contention of the Chicago Live Stock Exchange in its fifty-year fight against the assessment of switching charges in addition to the line-haul rates on live stock destined to the Union Stock Yards at Chicago, and ordered the present charge of \$2.70 per car abolished effective April 16, 1937.

In 1934, 142,675 carloads of live stock were received at the Union Stock Yards at Chicago. Thus, the abolition of the present switching charge of \$2.70 per car based upon the movement in 1934 is equivalent to saving of \$385,222.50 to the producers. The American National Live Stock Association and the National Wool Growers' Association intervened in support of the complaint. The Chicago Live Stock Exchange is to be congratulated upon its good work in this proceeding.

Charges at Pacific Coast Yards

The commission in its decision of January 15, 1937, found not justified the schedules filed by lines in the North Pacific Coast Territory to become effective November 9, 1936, authorizing the collection of charges for unloading, feeding, watering, and reloading live stock, in carloads, en route even though the carriers did not perform such service nor compensate others therefor. The finding is without prejudice to the carriers publishing rules specifically stating that in no instance shall they collect such charges where the railroad does not furnish the feed or perform the service or where the railroad does not compensate others therefor.

The American National and the National Wool Growers' Association secured the suspension of the schedules proposed and were joined at the hearing by the Cudahy Packing Company as protestant.

Eastern Live-Stock Cases

The commission on February 2, 1937, held that the rates on edible live stock from all points in the Western District to points in the territory east of the Indiana-Illinois state line and north of the Ohio and Potomac rivers were not shown to be unreasonable and dismissed the complaints. Complainants were the Midwest Association of Meat Packers, Eastern Meat Packers' Association, Swift & Co., Denver Union Stock Yards, Live Stock Traffic Association, and Louisville Board of Trade. The American National and the National Wool Growers intervened at the hearing in support of the complaints.

Eastern Feeder Cases

Stock yards companies or live-stock

exchanges of Indianapolis, Evansville, and Lafayette, Ind.; Cincinnati, Cleveland, and Dayton, Ohio; Nashville, Tenn.; Louisville, Ky.; Chicago and Peoria, Ill.; and Montgomery, Ala., by complaints filed with the commission in 1935 alleged that the proportional rates on stocker or feeder live stock from points in the Western District to the Mississippi River or Chicago on shipments destined beyond to country points were unjustly discriminatory and unduly prejudicial to complainants' markets and in violation of the long-and-short-haul provision of Section 4 of the Interstate Commerce Act. At the hearing which was held in December, 1935, and January, 1936, the Muncie National Stock Yards, Inc., intervened and asked for the same relief as that sought by complainants. The American National, National Wool Growers, Texas and Southwestern Cattle Raisers' Association, and related interests, National Live Stock Marketing Association, and the Nebraska State Railway Commission intervened in opposition to the complaints. The first two named interveners were represented by Chas. A. Stewart at the hearing and on brief.

Examiner A. S. Worthington, who presided at the hearings, rendered his report in January, 1937, and recommended that the commission find the rates on stocker and feeder live stock, in carloads, from points in the Western District to the public markets of complainants unduly prejudicial and unjustly discriminatory but not in violation of Section 4.

The interveners above named have filed exceptions to the report and requested oral argument before the commission.

Stock from Arizona to California

By schedules filed to become effective October 1, 1936, motor carriers proposed to increase by varying amounts ranging from approximately 17 to 139 per cent their rates on live stock moving from certain points in Arizona to destinations in southern California. Upon petitions filed by Arizona live-stock and agricultural organizations, in which the American National and the National Wool Growers joined, the commission suspended the proposed schedules until March 30. Hearing was held in Los Angeles March 4, and briefs were filed March 29, 1937. The truck lines have, upon request of the commission, extended the period of suspension to June 30, 1937.

Routing in Western District

In the above entitled proceeding in 1934 the Union Pacific sought to amend Transcontinental Tariff naming rates on live stock from points in Utah, Nevada, and California to Denver, Colo., and points east thereof so as to eliminate the routing of such traffic in connection with

the through rates via the Denver & Rio Grande Western R. R., thus restricting the application of the through rates to the Union Pacific line. Upon petitions filed by various parties, including the American National and the National Wool Growers, the commission suspended the proposed schedules and following hearing thereon found that such schedules were not justified and ordered their cancellation. Late in 1936, when republishing the tariff concerned, the carriers inadvertently canceled routing via the Rio Grande and restricted it to the Union Pacific lines. When the matter was first directed to the attention of the Union Pacific it refused to correct the error, but effective March 1, 1937, the tariff was amended so as again to restore the Rio Grande as a participating carrier.

Matador Land and Cattle Company

This proceeding involves movement of 10 carloads of feeder cattle from Russellville, Tex., to South Fontana, Cal., in July, 1934. The stocker and feeder rates were assessed and paid thereon. However, the lines handling the shipment contend that because the live stock did not move beyond South Fontana by rail, that because of Item 30 of the Transcontinental Tariff, the higher fat live-stock rates are properly applicable thereon. Consequently, late in October, 1936, they brought suit in the county court in Texas in an effort to force the payment of the higher charges. By complaint seasonably filed with the Interstate Commerce Commission, the Matador company avers that the application of the fat-cattle rates to this shipment would be unjust and unreasonable in violation of the Interstate Commerce Act. Hearing is now assigned for Phoenix, Ariz., May 10, 1937. [Various other shipments have been made in like manner, action on which is being delayed awaiting decision in above case.—Ed.]

Routing Bills

Under Section 15, paragraphs 3 and 4, of the Interstate Commerce Act, the commission is precluded at the present time from establishing through routes and joint rates when such action would short-haul the originating carriers. Consequently much traffic is being handled via circuitous routes merely for the purpose of giving the originating carrier the long haul. For example, from Silver City, N. M., to Los Angeles, Cal., the short-line distance is 772 miles via the Santa Fe to Deming, thence the Southern Pacific. However, the rates on live stock from and to said points, which were prescribed by the commission in the *Western Live Stock Case* for distance of 772 miles, are restricted via the Santa Fe to apply via its 1,115-mile line through Belen. In other words, the Santa Fe, in order to secure the long-haul, handles shipments 343 miles, or 44½ per cent, greater distance via its line than the short-line distance.

In order to allow the commission to eliminate such wasteful transportation, Senator Wheeler has introduced S. 1261 and Representative Lea has introduced H. R. 4341 in the present Congress. We are informed that the latter bill does not include the last paragraph of S. 1261. Therefore, the producers should urge their members in Congress to support S. 1261 and to amend H. R. 4341 in conformity therewith.

Driven-in Receipts, 1936

In our annual report for 1936, in Appendix "B," we showed that live-stock traffic originating on Class I railroads in the United States had decreased from 15,208,911 tons in 1928 to 7,362,983 tons in 1935—drop of 51.59 per cent—that, however, the total charges thereon had dropped but 44.71 per cent. Much of the decrease in rail tonnage of live stock is directly attributable to diversion of traffic to motor vehicles. The Bureau of Agricultural Economics' report for 1935 shows that 51.44, 64.51, 69.43, and 31.50 per cent of the total receipts of cattle, calves, hogs, and sheep, respectively, at 17 of the principal markets were driven-in. Of course, substantially all the drive-ins were handled by truck.

Similar report issued by the same authority for 1936 shows substantial increases in the quantity of live stock driven-in. In fact, said report shows that 56.49, 67.27, 70.74, and 30.57 per cent of the total receipts of cattle, calves, hogs, and sheep, respectively, were driven-in.

Weighing and Weights

This subject has been dealt with in the columns of THE PRODUCER for several years; likewise in our various annual reports. See annual report for 1936, beginning at page 31.

J. H. Howard, manager, and F. A. Piehl, assistant manager of the Western Weighing and Inspection Bureau, met with us in Phoenix February 23 to 26, and the subject was discussed in detail. Messrs. Howard and Piehl are now informed as to the many and varied methods employed by the carriers in attempting to secure weights of live stock for the purpose of assessing transportation charges thereon, and have assured us that they will leave nothing undone to correct many of the apparent discrepancies. They agree with us that as the rates governing the transportation of live stock are now generally named in cents per hundred pounds, the responsibility of securing accurate weights for the assessment of freight charges rests upon the carriers. They have asked that we furnish them specific reference to shipments on which erroneous or improper weights have been and are being assessed. We have agreed to do so. Therefore, we respectfully request that our principals continue mailing us their freight bills so that we may co-operate with the carriers and point out to Messrs. Howard and Piehl the methods employed

by the carriers in an endeavor to determine weights of live stock.

It is hoped that this matter can be disposed of without resorting to the commission. Therefore, we have recommended to our principals that the carriers be given an additional three months in which to eliminate the causes of the controversy. If at the expiration of that period the unjust discrimination and undue prejudice and preference still continue, then formal action should be taken.

Increased Rates in Utah

The Union Pacific Railroad Co. in its tariff 2303-E, published to become effective April 30, 1937, has revised its rates on all classes of live stock between points in Utah, generally south of Ogden. Such revision represents both increases and reductions. However, our examination thereof indicates that increases predominate.

Idaho to Interstate Destinations

This proceeding grew out of complaint filed by Coast Packing Co., Ogden Union Stock Yards, and others in which the rates on live stock from points on various short lines in Idaho to California were assailed. The commission in its decision late in 1936 sustained the contention of complainants. However, from points on the former Pacific and Idaho Northern Ry. Co., which line had been acquired by the Union Pacific subsequent to the original hearing, the commission authorized arbitraries of 1 cent for each 10 miles over and above the scale prescribed by it in the *Western Live Stock Case*. As the line concerned, since its acquisition, has been and is operated as a branch of the Union Pacific, the producers felt that the addition of said arbitraries was unwarranted, and the Public Utilities Commission of Idaho requested the Interstate Commerce Commission to suspend rates thus constructed. Its petition was granted and the matter is now assigned for hearing May 28, 1937, at Boise, Ida.

Testimony on Pettengill Bill

MOST STRIKING EVIDENCE AGAINST REPEAL of the long-and-short-haul clause of the Interstate Commerce Act was offered by Joseph B. Eastman, member of the Interstate Commerce Commission, February 9 and 10, before the House commerce committee hearings. An eight-point summary of his arguments follows:

First. That the long-and-short-haul clause has been part of the law for fifty years; that it was enacted in response to strong and outraged public opinion to correct an abuse which had become widespread; and that this agitation persisted for many years until the original defects in the section had been remedied. A law with such a history ought not lightly to be repealed or emasculated.

Second. That it is proposed to substitute for this clause an untried provision

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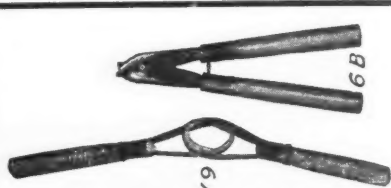
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which, it can be argued, could conceivably be used to produce much the same results. If this is true, there is no sense in making the change. It is clear, however, that those who favor the bill do not believe it to be true, because they confidently urge that it will produce very different results. They have reason for this belief, because the commission and the courts would find it difficult to avoid the conclusion that Congress, when it changed the law, intended also to change the policy and the results, and because, in any event, the commission would encounter very great, and probably insuperable, practical difficulties in applying the present policy and producing the present results.

Third. That while there may, perhaps, be some reasonable ground for complaint because of delay in the administration of the fourth section in certain cases in the past, the present administration is expeditious. If it is desired to insure expedition in the future, this can be done by providing the same time limit as in suspension cases.

Fourth. That the chief reason offered for the bill is that it will have the result of enabling the railroads to compete more freely with other forms of transportation and thus add largely to their revenues and employment. Upon analysis it is clear that it is from the water carriers that this traffic is to be taken. The bill is directed chiefly against them. The facts are that the commission has been liberal in granting fourth-section relief to enable the railroads to compete with water carriers. The complaint that it has not been liberal centers on transcontinental rates and the competition of the intercoastal water carriers. The facts are that the commission had good reason for denying relief in the case of these transcontinental rates: but even had it been granted, not enough traffic is involved to affect appreciably the earnings of the western railroads, especially when the reductions in rates which would undoubtedly be made by the eastern railroads and the water lines are taken into account.

Fifth. That the theory that net earnings can be improved by taking on traffic at so-called out-of-pocket costs is full of fallacies and dangers, because such costs are a highly uncertain and fluctuating quantity. They are only low when no employment is required, but the proponents of this bill claim that the traffic which it will add will increase railroad employment greatly.

Sixth. That relief from the fourth section creates no new traffic but merely diverts traffic which is already moving from one railroad or one part of the country to another. It cannot affect the prosperity of the country as a whole. The claim that failure to grant liberal relief has prostrated manufacturing in the interior of the country at the expense of the seaboard is not supported by the census figures. On the contrary, they show the reverse.

Seventh. That fourth-section provisions were omitted from the Motor Carrier Act and the proposed water-carrier bill because it was felt that there was no need for such provisions in the case of those forms of transportation. If need is shown, they should be included. It still

does not appear that there is any need in the case of the water carriers. There may be need in the case of the motor carriers, but the situation with respect to their rates is still very confused, and it is not yet possible to state with certainty that such need exists.

Eighth. That the present fourth section should be changed by the elimination of the so-called equidistant clause, which is an unnecessary nuisance, but should not otherwise be changed, with the possible addition of a time limit such as applies in suspension cases. It is highly desirable, however, that the water carriers should be brought under the same degree of regulation as is now provided in the case of the railroads and the motor carriers, not only for the good of the latter but for the good of the water carriers themselves.

Drought Rates Extended

THE AGRICULTURAL DEPARTMENT drought committee announced recently that the Interstate Commerce Commission has approved extensions for 60 days of reduced freight rates for feed and roughages shipped to the drought areas in Montana, North Dakota, and the northern part of South Dakota, according to a *United Press* dispatch.

The extensions of reduced rates for the drought areas was granted by the major railroads serving this territory at the request of the drought committee, because of "continued abnormal conditions."

Denver Yards Appeal Rate Cut

PETITION HAS BEEN FILED IN FEDERAL court by the Denver Union Stock Yard Company asking that recent ruling by Secretary of Agriculture Wallace, calling for reduction in yardage rates at Denver (see March PRODUCER), be set aside. The stock yard claims the secretary's order is confiscatory and the findings arbitrary and unlawful chiefly because the secretary excluded from the rate base certain of the company's properties, failed to make separate allowances for going concern value, and would require the yard company to collect a marketing charge against yard traders of approximately half regular marketing charges on all resales by traders. The company also claims that its valuation is about double that set by the secretary.

Acreage Intention for 1937

U. S. FARMERS INTEND TO PLANT 94,840,000 acres of corn and 20,918,000 acres of spring wheat this year, according to report by the Department of Agriculture. This compares with a harvested acreage in 1936 of 92,829,000 acres of corn and 11,212,000 acres of wheat.

The report indicated intention of farmers to plant more of every kind

of grain crop. The oat acreage will be 35,660,000, compared with a harvested acreage of 33,213,000 last year. Other crops, compared with last year, will be:

Barley, 10,901,000 acres, compared with 8,322,000 last year; flaxseed, 1,306,000, compared with 1,180,000 in 1936; rice, 957,000 (935,000 last year); grain sorghums, all, 7,514,000 (7,000,000); potatoes, 3,232,000 (3,058,000); sweet potatoes and yams, 807,000 (822,000); tobacco, 1,682,000 (1,467,000); beans, dry edible, 1,731,000 (1,562,000); soy beans, 6,300,000 (5,635,000); cowpeas, 3,336,000 (3,263,000); peanuts, 2,098,000 (2,056,000); tame hay, 55,967,000 (57,055,000).

Transportation

(Continued from page 13)

it. We have the working figures of the Cooley Public Association, the Association of the Security Holders is working through us, the Association of American Railroads, the air transportation, and others. Consequently we are able to conduct a fact-finding organization with reference to the whole transportation problem.

We also have our Education Division . . . analyzing the reasons for government ownership of transportation in foreign countries to find out how they got into the hands of the countries and what the governments did with them; . . . taking all the federal and state laws . . . since 1887 and finding out whether they are in the public interest; . . . working toward adoption of a new transportation act to take the place of the act of 1920.

Educational Work

The educational work is carried on through the issuance of our research reports, but more particularly the establishing of fifteen chapters throughout the country, with committees of fifty in each district . . . to be composed of farm, industry, and public people. The idea is to take some organized interest in this problem. We want to support a congressman who will do the right thing. . . . One of these days in your own community you will be asked to be one of this committee of fifty.

Maintain Private Enterprise

If we can work toward consolidation and co-ordination within a given group and between the groups we will not have fifteen or twenty transcontinental systems all offering different classes of service; we will reach a point where, by spreading the revenues and spreading the service through consolidation and proper constructive competition rather than destructive competition, our rates will be substantially lower and the service substantially better; . . . we will maintain the general principle of private enterprise in transportation. . . .

MARKETS

Healthy Markets

(Continued from page 15)

ing good money. At crossroads auction sales in the Corn Belt stockers are in demand at prices above market quotations, enabling truckers to atone for diminishing volume of regular business.

Fall stock-cattle trade at the markets will be determined by the outcome of the corn crop. That a large acreage will be put in does not need assertion. Everywhere shovels are scraping crib floors, the residue of the old crop having practically disappeared. Apprehension that grain will be dumped on the ground next fall for lack of crib room is unwarranted. In fact, two bumper crops would not create a burdensome surplus.

Feeding Tactics Change

Feeders have learned that an exclusive corn ration is not essential to fitting steers. They have used such an enormous tonnage of so-called substitute feeds this winter—molasses, soy-bean meal, cottonseed cake, and ground small grains—that the ration of the future will be changed; less corn will be used and gain cost reduced. A varied ration has produced better results and improves the carcass.

A probable development along next fall will be a feeder demand for grass-fat cattle to make a short trip to the feed-lot. Cheaper corn will stimulate this demand and create an outlet for two-way steers that did not exist last year. In any event, grass cattle will find a broad market, as killers will need every animal convertible into a creditable carcass.


Hereford cattle are practically monopolizing the beef market, most of the sales above \$12 per cwt. wearing white faces. Occasionally a load of choice Angus reports, but topdy Shorthorns are rare. Minus the supply of Herefords during

the past three months, a veritable beef famine would have developed.

Hog Market Puzzling

A pound of meat is so much food, and in the distribution process every ounce is in competition with every other ounce, regardless of the source of supply, foreign or domestic. The influence of imported pork on the domestic price of hogs is a much disputed topic; probably such influence is adverse. Something irregular has developed in the hog market recently that lacks logic. Usually top cattle and hogs sell close together; a year ago the spread was only 50 cents per cwt., whereas recently it has been about \$5.50—this on short production, as a large percentage of the winter crop lacked normal development. But despite reduced beef production and a broad demand for that product, both cured meats and lard have accumulated on packers' hands to an aggregate of approximately 1,000,000,000 pounds. Imports run about 1,500,000 pounds weekly, largely Polish cooked ham, and, although that product is so popular that it enjoys a distinct advantage over domestic meat, it cannot be credited with responsibility for a demoralized winter hog market. Choice heavy hogs have been selling around \$10 per cwt., similar cattle at \$15—an inexplicable variance. Even at present cost, packers assert that hogs show a cut-out loss. The price disparity cannot be attributed to excess production, as slaughter has been running right around last year's figures. Cattle have been profitable while hogs are not paying their board bill.

Making all possible allowance for import competition, it must be evident that pork lacks its old-time popularity in consuming circles. Dressed trade, mainly in loins, has been draggy, and, although packers have resorted to strenuous advertising effort to stimulate ham sales, they complain that results have not met



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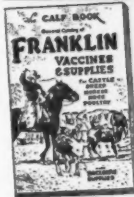
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expectation. Exports of hog product have declined and lard is getting serious competition from other edible fats. The duty is only 3¼ cents per pound, against 6 cents on cooked beef, and importers beat a large part of the tariff by boning hams. Foreign-speaking sections have absorbed large quantities of Polish ham, a weekly jag exceeding 1,000,000 pounds from that source disappearing as rapidly as it can be landed at New York. Poland is expanding pork production, increasing processing facilities, and designing further inroads on this market. In some quarters an impression still exists that the 2¼-cent processing tax has not been abolished, continuing prejudice against taxed meat.

Hog Growers Incensed

Whatever the cause may be, hog growers are concerned and incensed over the manner in which the winter crop has been appraised. On a parity basis with other species, hogs should be worth \$12 to \$13 per cwt.—an altitude they are not likely to attain unless something not in the cards at present develops. What would have happened had the western part of the Corn Belt, especially the upper Missouri Valley, marketed a normal crop, may be imagined. Missouri River markets have been woefully short of hogs for months past, and will be all summer.

Processors are apparently not worrying over their present accumulation of either meats or lard, probably on the theory that the hog crop will be in early, enabling them to merchandise at inventory profits during the summer distribution season; but to accomplish this, a sharp advance in hog prices will be essential. Much of their holding was put away at around current cost and could not be cashed profitably. In any event, the basis on which the bulk of the winter crop of hogs moved incurred loss, as the residue in growers' hands is small. The crop is in the cellar. Dollar corn may have been a boon to those who grew it; conversion into pork entailed loss.

As a result, the markets have been filled with second-grade light shoats and pigs selling at sharp discounts. Under these circumstances expanding production is undesirable.

Lamb Feeders Satisfied

Lamb feeders on the late market are more than satisfied with results. When the \$11 mark was reached they had a profit margin; on the March boom velvet accrued. The skyrocket trade of mid-March, when \$13 to \$13.25 was paid by packers at Chicago, is as inexplicable as the subsequent break when the top price went to \$12.10 and \$12 was the common price. Fat ewes reached \$8 simultaneously, subsequently declining \$1 per cwt. Before the rise, some 10,000,000 pounds of lamb went into storage in an effort to stabilize the trade; on the rise, it was put into circulation profitably, although sold at a discount compared with fresh meat.

California spring lambs moved east in March, selling in Chicago at \$13.50 per cwt. On the same market, old croppers were worth \$12.50 to \$12.75, the difference representing fleece value. Colorado and Nebraska are cleaning up and will be out by the middle of May. What Texas has up its sleeve will determine the April, May, and June market. Present prices have a stable appearance.

Country Needs Corn

What the industry needs is feed, both grain and grass. Lack of either or both means short meat production, consumer discontent, and popular demand for import expansion. If ever the country needed a full corn crib, now is the time. As a matter of fact, curtailing corn acreage exerts little influence on aggregate yields; weather is the factor. Estimating the outcome of this year's crop is little short of absurd, as from the moment seed goes into the ground until husking time corn is a gamble.

Resumé

A resumé of the summer live-stock supply and market prospect follows:
An unprecedented scarcity of heavy,

long-fed bullocks, especially good to choice grades.

Bulk of the yearling supply will be cashed early and at light weight to evade an onerous feed bill.

To atone for deficient tonnage and supply demand for "something cheap," every nook and cranny will be ransacked for low-grade cattle. Grass beef will find a broad market.

Stock cattle values will be determined by the outcome of the corn crop; but, as every section of the feeding area is short, prices will be high.

Hog market will be marked up to facilitate merchandising of heavy stocks of meat and lard.

A short supply of lambs during April, May, and June will maintain prices around present levels. Subsequently the new western crop will establish a revised trading basis.

Meat Holdings

Commodity in Pounds (000 omitted)	Mar. 1 1937	Mar. 1 1936	Five-Yr. Aver.
Frozen beef	135,036	66,822	51,406
Cured beef*	32,025	20,106	18,503
Lamb and mutton	9,825	2,563	2,518
Frozen pork	325,884	101,724	180,485
Dry salt pork*	82,964	82,078	95,617
Pickled pork*	365,049	267,616	378,636
Miscellaneous	124,752	69,848	68,836
Total meats	1,075,535	610,757	796,006
Lard	202,460	78,725	103,202
Frozen poultry	157,932	85,792	95,889
Creamery butter	20,657	8,217	16,001
Eggs (case equiv.)	1,306	1,338	1,445

*Cured or in process of cure.

Chicago Prices

LIVE STOCK

	Apr. 1, 1937	Mar. 1, 1937	Apr. 1, 1936
SLTR. STEERS (1,100-1,500 lb.):			
Choice	\$13.75-15.25	\$12.50-14.25	\$10.00-11.00
Good	11.00-14.25	10.00-13.00	8.50-10.25
SLTR. STEERS—(900-1,100 lb.):			
Choice	13.50-15.00	12.75-14.25	9.75-10.75
Good	10.00-13.75	9.75-13.00	8.25-10.00
SLTR. STEERS (900 lb. up):			
Med.	8.25-11.00	7.75-10.25	7.25-8.50
FED YOUNG STEERS:			
Good-Ch.	10.00-14.00	9.50-13.50	8.00-10.75
HEIFERS:			
Good-Ch.	9.00-13.00	8.50-12.25	7.50-9.00
COWS:			
Good	7.00-8.00	6.00-7.00	5.75-6.50
CALVES:			
Good-Ch.	6.00-8.00	6.25-7.75	6.25-9.20
FEEDERS AND STOCKERS:			
Good-Ch.	7.75-10.00	6.75-9.00	7.00-8.50
Com.-Med.	6.50-7.75	5.50-6.75	6.00-7.50
HOGS:			
Med. Wts.	9.75-10.25	9.10-10.30	10.50-10.80
LAMBS:			
Good-Ch.	12.00-12.50	10.00-11.00	9.85-10.50
EWES:			
Good-Ch.	6.00-7.00	5.25-6.40	5.00-6.00

WESTERN DRESSED MEATS

STEER (700 lb. up):			
Choice	\$18.50-19.50	\$16.00-17.50	\$14.00-15.50
Good	15.00-18.50	13.00-16.00	12.00-14.00
STEER (500-700 lb.):			
Choice	17.00-19.50	16.00-17.50	13.50-15.00
Good	15.00-18.00	13.00-16.00	12.00-13.50
YEARLING STEER:			
Choice	17.00-18.50	16.00-17.50	13.00-14.50
Good	15.00-17.00	13.00-16.00	12.00-13.00
COW:			
Good	12.00-13.00	11.00-12.00	10.50-11.50
VEAL:			
Choice	13.50-14.50	13.50-14.50	15.00-16.00
Good	12.50-13.50	12.50-13.50	14.00-15.00
LAMB:			
Choice	18.50-20.00	15.00-18.00	17.50-19.00
Good	17.50-19.00	14.00-17.00	16.50-18.00
MUTTON:			
Good	11.50-12.50	8.00-9.00	9.00-10.00
PORK LOINS:			
8-12 lb. Av.	18.00-20.50	17.50-20.00	18.50-21.00

REGISTERED HEREFORD CATTLE

Choicest blood-lines; outstanding individuals; raised under actual range conditions

T. E. MITCHELL & SON

Tequesquite Ranch
ALBERT, NEW MEXICO

Live Stock at Stock Yards

	February 1937	1936	First 2 Months 1937	1936
RECEIPTS—				
Cattle*	900	981	2,074	2,240
Calves	442	434	959	969
Hogs	2,084	1,817	4,584	4,349
Sheep	1,591	1,632	3,654	3,493
TOTAL SHIPMENTS†—				
Cattle*	299	324	705	775
Calves	120	138	275	314
Hogs	638	628	1,386	1,381
Sheep	661	690	1,526	1,422
STOCKER AND FEEDER SHIPMENTS—				
Cattle*	100	94	252	254
Calves	21	22	53	59
Hogs	28	26	57	66
Sheep	78	59	193	154
FEDERAL INSPECTION SLAUGHTER—				
Cattle*	708	742	1,575	1,648
Calves	437	405	921	879
Hogs	2,842	2,319	6,361	5,747
Sheep	1,315	1,314	3,015	2,854

Three ciphers omitted. Receipts and shipments are for sixty-nine markets.

*Exclusive of calves.

†Includes stockers and feeders.

Advance in Hides Healthy

By J. E. P.

A STEADILY ADVANCING HIDE MARKET is on a healthy basis. Washington has practically completed liquidation of distressed hides accumulated during the period of drought slaughter, this year's take-off will be substantially lighter than that of 1936, and actual scarcity of big steers will be accompanied by similar shortage of heavy hides. Both the spot and future markets are working to higher levels; packer hides are selling on a 15½ to 17-cent basis. Tanners are endeavoring to check the advance, but to continue business they must buy raw material.

With government hides and skins at the vanishing stage, further appreciation is inevitable. Confident prediction is made that 18 cents will be paid at no distant date for many heavy packer steer hides. This will furnish a prop for the cattle market, as the recent advance in hides has lagged behind the cost of all kinds of cattle.

Heavy native and butt-branded hides are now selling at 17 cents; lights, at 15½ and 16½ cents.

Country hides have picked up. Extremes are quoted at 15¼ to 15½ cents; buffs at 13¼ to 14 cents; and all-weights at 13¼ to 13½ cents. Packer cow hides are realizing 16 to 16¼ cents.

Shoe machinery is being operated at full capacity, retail sales are of large volume, and demand for the better grades of footgear is back to normal.

Wool Promises Further Rise

By J. E. P.

A BUOYANT WOOL MARKET PROMISES further appreciation. Dealers are in receptive mood, scouring the hinterlands for pools and packages, and as the new clip reaches eastern concentration points it will get a warm welcome. The "dead spot" has been passed. Con-

tinued strength in the antipodean market, especially Australia, is significant, furnishing a strengthening influence in this market.

Early shorn wools in the fleece states, also a meager carry-over, are getting action. Ohio delaine is selling in the grease at 44 to 46 cents, three-eighths and quarter blood netting 35 cents to growers in Ohio, New York, Michigan, and Missouri. Interior dealers are picking up small lots for storage in anticipation of still higher prices. Bright medium fleeces are quoted at 37½ to 38 cents; country packed medium bright fleeces at 43 cents locally, 44 to 45 cents delivered East.

Demand for western, or territory, wools is steadily broadening. Fine and quarter blood are moving at \$1.05 to \$1.08, clean, at Boston. Contracts for fine territory or twelve-months Texas wools are on a \$1 scoured basis.

A West Virginia pool of 500,000 pounds realized 45 cents per pound late in March—clean cost of about 81 cents. It is comprised of quarter and three-eighths blood.

Eastern dealers are anxiously awaiting an increase in fleece wool supplies as inquiry is broad. There will be a place—many of them—to put the new clip as it becomes available. Signs of resuming activity are in evidence everywhere a pound of the commodity is available. Fabrics are in demand and clothing trade is healthy. The only cloud on the horizon is possible labor trouble within the textile industry.

Consumption of Meat in U. S.

TOTAL AND PER CAPITA CONSUMPTION of meat in the United States, with allowance made for imports and exports from and to foreign countries, is estimated by the Bureau of Agricultural Economics as below (see March issue for figures on consumption of federally inspected meat):

	TOTAL*	1935	1934
Beef	1936	7,364	6,504
Veal	1,066	977	1,047
Pork	7,328	6,236	5,314
Lamb and Mutton	539	875	793
All meats	16,597	14,592	16,969
Lard	1,361	1,110	1,523
	PER CAPITA†	1935	1934
Beef	57.3	51.0	53.8
Veal	8.3	7.7	8.3
Pork	57.1	48.9	65.7
Lamb and mutton	6.5	6.9	6.3
All meats	129.2	114.5	134.1
Lard	10.6	8.7	12.0

*Six ciphers omitted, pounds.

†In pounds.

Raising Pigs the McLean Way

LOWER MORTALITY AMONG YOUNG PIGS, no runts, and an extra dollar on your hogs are the rewards in store for you if you practice the McLean County (Illinois) system of sanitation, set forth in the *Omaha Daily Journal-Stockman*. Farrowing houses are scrubbed with boil-

ing water and lye; sows are washed with soap and water before farrowing; sows or sows and their pigs, if they must be moved, are hauled in passing through old hog lots or lanes, and the pigs are confined until at least four months of age in pastures where no hogs have been allowed for at least one year.

The system, says E. T. Robbins, of the Illinois College of Agriculture, is just as effective now in 1937 as it was when first developed in 1919.

Registered
Hereford Bulls

Descendants of Domino,
Beau Donald, Beau Mischief, and
Other Great Sires

Two-year-olds and Yearlings
for Sale in Carload Lots

Not the pampered kind, but the kind that will do service in pastures or on the open range.

Many satisfied customers throughout the West and Southwest will attest the quality of our bulls.

J. M. Carey & Brother

Cheyenne, Wyo. Careyhurst, Wyo.



You, too!

A big cattle operator in Colorado, with WHR Bulls in his herd for the first time, writes,

"Calves by your bulls are the best we have had dropped for many a day."

What WHR Bulls have done for this man, and likewise for so many breeders throughout the land, they will do for you, too.

Join the ranks of satisfied cowmen by using WHR bulls this year.

You can get good ones at
WHR now

**Wyoming
Hereford Ranch**
CHEYENNE

ROUND THE RANGE

Range and Stock Conditions

IN A SPECIAL REPORT TO THE PRODUCER, F. W. Beier, Jr., of the Denver office of the Division of Crop and Live Stock Estimates, gives conditions as of April 1 as follows:

March weather was unfavorable for live stock in much of the northern areas; cold and storms late in the month resulted in some shrinkage in cattle and sheep; feed and stock conditions improved in the Southwest and in California; losses generally have been light.

Old supplies of range feed are generally short, and late storms required considerable supplemental feeding in the northern sections. New feed has a good start in the Southwest and in California. Soil moisture supplies are generally ample, except in the western Great Plains area.

Late March storms were hard on live stock in eastern Montana, the western Dakotas, northeastern Wyoming, and northwestern Nebraska. Heavy feeding was necessary. There is a considerable number of thin stock in this area. A few local losses have been reported. Recent storms supplied some moisture, but soil moisture is still insufficient in the western Dakotas, eastern Montana, and parts of northeastern Wyoming and northwestern Nebraska.

Live stock is generally in good condition in western Montana and in north-central, central, and southwestern Wyoming, where feed supplies are ample, with the use of concentrates on sheep ranges. Eastern Nebraska has received some moisture for spring feed, but much of the western range area is still short.

Pastures are still very short in western Kansas and Oklahoma, with some new grass and a limited supply of wheat pastures. Live stock is only in fair condition. Eastern Oklahoma and

Kansas have considerable soil moisture, but much of the western sections of the two states has only a limited supply of top moisture and little subsoil moisture.

Texas has good spring feed prospects, with ample moisture, except in parts of the northern section and the Panhandle. Cattle and sheep are in good condition, with prospects of good lamb and calf crops.

Colorado and New Mexico have ample feed supplies and fairly good spring range prospects, except in southeastern Colorado, northeastern and southwestern New Mexico. Cattle and sheep wintered well. Colorado has some surplus hay in the northern irrigated and mountain sections.

Range feed prospects have shown wonderful improvement in California and Arizona. Recent rains supplied ample moisture to make California range feed and help to overcome the serious setback to live stock during the past winter.

Live stock is in fair to good condition in the Northwest, following heavy snows and storms during late winter which caused some shrinkage. Losses have been confined to some sheep on desert ranges in Utah and Nevada, where heavy snows made it impossible to move sheep or feed. Range prospects are generally good, with ample moisture, but development will be a little late.

Bulletins in Brief

American climate has been going through a "dry" cycle since 1930, says J. B. Kincer, chief climatologist of the Weather Bureau, but there is no cause for fear of a permanent change. He said the idea of many during these drought years that "either naturally or from some act of man," the climate is permanently changing "is a popular fallacy as old as historical America."

Mohair production in 1936, including kid hair, in the seven leading states was 15,986,000 pounds, according to the Bureau of Agricultural Economics. This is 352,000 pounds, or about 2 per cent, more than the quantity produced in 1935. The number of goats clipped in 1936 was estimated at 3,668,000 head, or 2 per cent less than the number clipped in 1935, but the average clip per goat was 4.4 pounds against 4.2 pounds in 1935.

* * *

Winter feeding trials, conducted by the Montana Agricultural Experiment Station at Bozeman, in which well-bred yearling Hereford steers were full-fed on good alfalfa hay, indicate that it requires approximately 15 pounds of hay to produce 1 pound of gain. Thus, at \$5 a ton, hay cost for a gain of 100 pounds would be \$3.75; and at \$8 a ton, \$6.

* * *

Nevada's seventy-car train limit law, passed in 1935, has been held unconstitutional by a three-judge federal court.

* * *

Tenants operated 42.1 per cent of all farms in the United States on January 1, 1935, as compared with 42.4 per cent on April 1, 1930, the Census Bureau points out. Gains in tenancy were recorded in all states outside the South, with one exception—New Mexico—and also in several of the more northerly states of the South. Considering the thirty-two states located outside the South as a group, proportion of farms operated by tenants rose from 28.5 per cent in 1930 to 30.5 per cent in 1935. Percentages for 1935 ranged from highs of 69.8 in Mississippi and 65.6 in Georgia to lows of 6.2 in Massachusetts and 6.9 in Maine.

* * *

Melting snow furnishes 85 per cent of the water for probably more than 19,000,000 irrigated acres in the United States, says S. H. McCrory, chief of the Bureau of Agricultural Engineering.

* * *

On the Gallatin forest in Montana only 101 elk were taken, although 1,594 hunters tried their luck during the recent one-month open season. Officials hoped to see the elk herd reduced about 750 to 1,000 to prevent possible starvation from lack of feed on the overcrowded range. On the Lewis and Clark and Flathead national forests 1,161 hunters took only half the expected number of elk.

* * *

Plan for licensing live-stock dealers and market agencies doing business at Cleveland, Ohio, stock yards went into effect on January 25, 1937. The purpose of the plan, as announced by the Cleveland Union Stock Yards Company, which issues the licenses, is, in part, to prevent unnecessary or undesirable persons from engaging in the market agency or dealer business and to discourage multiplication of market agencies.

HALEY-SMITH COMPANY, STERLING, COLORADO

Breeders of Registered Herefords

BULLS FOR SALE AT ALL TIMES

PAINTER HEREFORDS

We Specialize in the Rugged, Large-Boned Type of Herefords,
Rather Than the Smaller, Fine-Boned Show Type

QUALITY HAS NO SUBSTITUTE

JOHN E. PAINTER & SONS

Roggen, Colorado

Credit for Farmers

(Continued from page 11)

clearly that agriculture is recovering, that these large numbers of farmers were able to pay their current interest, their other debts, provide for their families, and, in addition, make substantial payments on their obligations. It shows, also, the fact that they realize the way to get out of debt is to pay, and they are doing it as rapidly as they can.

Outlook Bright

We have the best outlook for agriculture we have had in a number of years. The Farm Credit Administration is being challenged and will continue to be challenged vigorously and consistently by private credit agencies. I suppose this is inevitable as recovery proceeds and private agencies wish to return to the field. I believe the welfare of agriculture and stock raising should be considered as well as the desires of private credit agencies. In my opinion, there is a need for such agencies as the Farm Credit Administration and there is also a need for sound private credit agencies.

Practically all over the world every one of the older nations have found it necessary to establish some form of credit to serve the peculiar needs of agriculture rather than adopt the industrial type of credit which applies to commerce and industry.

The real question which we face is whether the farm credit system of the United States shall be a government system with permanent subsidies or whether it shall be a co-operative system under government supervision. In my judgment, all branches of agriculture will be best served by a co-operative system ultimately owned by the farmers and stockmen borrowers.

The Farm Credit Administration is trying to do this, is trying to sustain a sound but simple system to serve agriculture. If it is going to succeed it needs the criticism and support of all those concerned with this great problem in agriculture. We need criticism and we are glad to have it. We want to know when our operations fail to achieve that success to which farmers and stockmen are entitled. I believe the job can be done, and with the co-operation of those interested in agriculture we can continue to build a sound credit system geared to the needs of this great industry which will serve you not only now but in the days to come.

Land Bank Farm Holdings

IN THE PAST SIX MONTHS THE FEDERAL land banks sold more farms than they took over, thus decreasing their real estate holdings for the first time since the beginning of the depression, accord-

ing to Governor W. I. Myers of the Farm Credit Administration. He said the federal land banks were far from being the largest holders of farm real estate.

Farm sales by the federal land banks in 1936 numbered 15,014. Real estate sales began increasing in 1934, Myers said. Sales rose from \$17,600,000 in 1934 to \$28,100,000 in 1935 to \$35,200,000 in 1936, with a steady increase of sales to bona fide farm operators.

The number of farms owned outright by the federal land banks reached a peak of 24,355 on August 31, 1936, but declined to 22,505 on February 1, this year. Farm real estate owned was carried on the books of the federal land banks at \$78,200,000 on August 31, 1936. On February 1, the amount was \$73,500,000.

From Foreign Fields

Under Germany's four-year plan for agricultural self-sufficiency, imports of agricultural products have been strictly limited, compulsory utilization of certain domestic products extended, and production subsidies set up, says Loyd V. Steere, U. S. agricultural attache at Berlin, in a recent report to the Department of Agriculture. All farms and agricultural trade organizations have been incorporated into a central-control organization which controls, as to price and volume, each stage of the movement of nearly all German farm products from producer to consumer. "It is realized now that absolute self-sufficiency [under the plan] cannot be obtained," Steere said.

Canada fears a big crop of grasshoppers this year. Government "egg surveys" conducted after last summer's extensive drought indicated that the hopper situation for 1937 is much more serious than for 1936. It is estimated that territory infested has increased by 9,500,000 acres to nearly 53,000,000 acres. Grasshoppers whose eggs are now threatening Canada's wheat crop are claimed to be "American born."

Babassu nut resources in the states Maranhao, Piahy, and Para, Brazil, will be exploited by a Brazilian concern operating with American capital. Legislation on behalf of the project was enacted December 17, 1936.

* * *

Manchuria, the world's largest surplus producer of soy beans, harvested 4,602,000 short tons of this crop in 1936, according to the Bureau of Agricultural Economics. The 1936 soy-bean crop was 26 per cent larger than that threshed in 1935 but a little more than 9 per cent below the previous 5-year average of 5,083,000 tons.

* * *

Mexico's agrarian code has now been so altered as to make cattle ranches ranging in size from about 750 to 123,500 acres not subject to expropriation by the government for 25 years under certain conditions.

* * *

Soviet spring sowing program, which calls for planting 37,797,600 acres of farm land, is reported as far behind schedule. Reports are that 223,600 acres had been planted with spring crops by March 15, compared with 1,603,200 acres on that date last year. Delay is explained as due to a backward spring, although it is said that *Pravda*, official Communist party organ, published one of the bitterest criticisms of party and state officials concerning the crop situation that has been seen in recent years.

Feedstuffs

ON APRIL 2 COTTONSEED CAKE AND meal was quoted at \$39 a ton, f.o.b. Texas points. Omaha hay prices on April 1 were as follows: alfalfa—choice leafy, \$22 to \$23.50; No. 1, \$19 to \$21; standard leafy, \$17 to \$18.50; standard, \$15 to \$16; No. 2, \$13.50 to \$14; No. 3, \$12 to \$13; upland prairie—No. 1, \$16 to \$17.50; No. 2, \$13 to \$15; No. 3, \$11 to \$12.50; midland prairie—No. 1, \$15 to \$16.50; No. 2, \$11.50 to \$13.50; mixed hay—No. 1, \$15.50 to \$16.50; No. 2, \$13 to \$14.50; No. 3, \$11 to \$12; straw—oats, \$7; wheat, \$5.50.

Progressive Cattlemen are turning to QUANAH CAKE CUBES

43% Protein Cottonseed Cake

They are SOFT. Toothless cows and weanling Calves eat them as easily as big Steers

CATTLE AND CALF SIZES

Can ship mixed cars with regular Cake and Meal

Wire or write us for prices and samples

QUANAH COTTON OIL CO.

QUANAH, TEXAS

STOCKMEN'S EXCHANGE

NO CURE FOR FOOT-AND-MOUTH

TO THE PRODUCER: Few people realize what a serious thing foot-and-mouth disease would be should it get a foothold here, but I do know something about it. I was raised in Switzerland, where the disease is a common thing. If it once gets rooted, there is no way to stop it. Cattle never become immune. The same cattle get it again and again whenever the epidemic breaks out in a community. There are no advance symptoms, and the first thing you know you see stock limping or slobbering out of the mouth. There is no medicine for it and no way to stop it. All you can do is to let it run its course and nurse your cattle to keep them from starving to death.

I have seen them with their tongue and mouth covered with blisters full of pus and so sore they could not even drink water. We would cook hulled barley or cornmeal soup and feed to them with a bottle. About the feet they would have a white ring just above the hoof, full of pus and evidently very painful. They would not stand on their feet at all. If you lifted them up they drop on the ground. It would take two to three weeks for them to recover. Then after two to three years the disease would perhaps break out again. In the meantime you would hear of its existence in some other locality across the mountains or some place forty or fifty miles away.

Now, in the old country it is comparatively easy to nurse the animals. Cattle herds run in numbers of from one to 50 or 60 head. If a man has more than he can take care of, it is easy to get help. In summer, cattle are

kept in fenced or herded pastures. In winter they are kept in the barn. But how would it be here, where we have them by hundreds and thousands running on open range or in large pastures, mixing and moving about and going to open markets where they come in contact with stock from all parts of the country? It would be impossible to take care of them.

Even with the best of care, cattle lose heavily in flesh. Milch cows almost go dry and do not get back to more than 50 per cent of normal production until they come fresh again. This would not only affect the farmers and ranchers, but also the consumers of meats and dairy products.

Kit Carson, Colo.

C. J. OSWALD.

STOCK WINTERED POORLY

TO THE PRODUCER: Our stock wintered poorly, due to the severe snow and cold, but the weather at present has moderated and there is a lot of moisture in the ground. We are hoping for a good spring.

Holbrook, Ariz.

J. C. WETZLER.

LAST WINTER'S SNOW

TO THE PRODUCER: North Dakota has plenty of moisture from winter snow, except in the southwest. But even parts of that section had a heavy snow the last of March which may supply some moisture. Some of the winter snow was still on the ground March 30. Horses came through the winter exceptionally well, considering the short grass on the ranges. Some losses in cattle occurred in the western part of the state during the winter.

ANDREW JOHNSTON.

Watford City, N. D.

NOT ENOUGH SNOW

TO THE PRODUCER: Eastern half of Colfax County is dry. We have had very little snow this year, except in the mountains. Merino Valley was snowed in all year. From Ute Park east and south another dry year seems likely.

Cimarron, N. M. JOHN LIVINGSTON.

PACKER PAY ROLL AT NEW HIGH

The "Big Four" packers—Armour, Wilson, Swift, and Cudahy—raised the pay of their employees, effective March 15, to a new basic scale of 62½ cents an hour—highest point in their history. Increases of 9 cents an hour were posted for employees paid by the hour and on piece work, with proportionate advance

for plant employees in other classifications. The basic schedule represents a gain of 26½ cents over the low of 36 cents an hour in effect five years ago. More than 92,000 men and women working for the packers at points scattered from New York to Los Angeles benefited to the extent of over \$22,000,000 a year. Similar increases were granted by smaller packers.

New Finance Plans Successful

THE GIVE-A-CALF PLAN—SUCCESSFUL and comparatively new way of raising association funds—and other schemes that have made easier the task of collecting cash for association work, now account for a good portion of the funds that come to the American National. The following gives an idea of their importance:

The New Mexico 1936 calf plan, just completed, has brought into the National coffers approximately \$800.

Pueblo County stock growers have started in on a bull-ticket financing plan for the benefit of the local, state, and national associations, with the prize bulls donated by L. A. Edmundson and M. T. Everhart, both of Pueblo, Colorado.

Several other locals in Colorado plan similar campaigns. The Rio Blanco Farmers' and Stock Growers' Association led the way in Colorado with a successful calf plan concluded recently. That plan netted the American National \$300.

The North Park Stock Growers' Association is planning a bull-ticket scheme to be concluded at the annual meeting of that organization in June.

Several counties in California are expecting to duplicate or surpass last year's effort, when the Kern County Cattlemen's Association paid \$278, the Ventura Cattlemen's Association paid \$300, and \$725 was received from Santa Barbara County.

The Highland Hereford Association has devised a plan of collecting 2 cents a head for the Texas state organization and 2 cents for the national body, from which the National has already received \$150.

The Northern Arizona Cattlemen's Association, which pledged \$650 at the El Paso convention of the American National last January, has set a date for a bull show and prize calf drawing—May 23-29 at Holbrook.

Yavapai Cattle Growers in Arizona, originators of the "calf plan," have already contributed their usual \$1,000, and the Gila County association has practically completed its recent campaign, which will run into \$400. It is expected that other plans will develop in Arizona during the year.

These plans have helped mightily in putting the American National on a sound financial footing and in making possible the carrying on of needed activities.

Hardy, Re-cleaned Alfalfa Seed, \$11.50; Grimm Alfalfa, \$12.90; White Sweet Clover, \$7.50; Red Clover, \$20. All 60-lb. bushel. Track, Concordia. Return seed if not satisfied. Geo. Bowman, Concordia, Kansas.

31,000 ACRES privately owned range land; abundance of water; 1,000 acres cultivated lands; winter and summer range for 5,000 head of cattle; grazing privileges; exclusive cattle district. Address: Preston Nutter Corporation, 105 E. So. Temple St., Salt Lake City, Utah.

RANCHES, large or small, for sale, exchange, or lease, in Texas, New Mexico, Arizona, Wyoming, Montana, California, Canada, Central and South America, Africa, and islands of the sea. J. D. FREEMAN, Gunter Building, San Antonio, Texas.

HORN WEIGHTS

In ½, 1, 1½ and 2 pound sizes; 50c a pair, f.o.b. York, Neb. York Foundry, Box ACF, York, Neb.

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